

# **Exhibit 101**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATORS DECLARATION:**

I, **Yang Junjun**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113404.

*(Digital or printed signature here above the line)*

*Yang Junjun*

---

**Yang Junjun**

Project Number: BBLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870



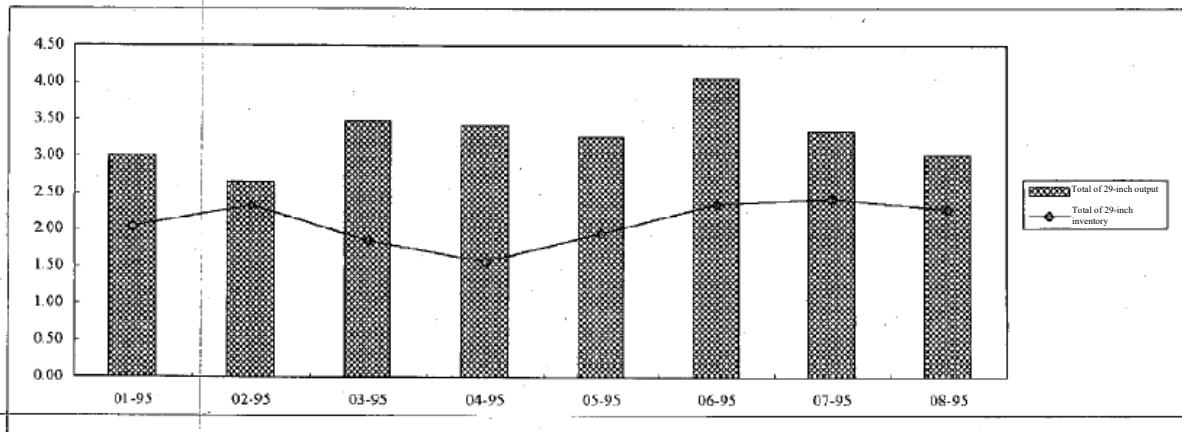
## Output, Sales Volume, and Inventory Chart of 29-inch in 1995

Unit: ten thousand

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	1--12
BMCC Output of 29-inch	3.0046	2.5807	3.4725	3.0717	3.2577	4.0627	3.3263	3.0101	25.7863
Foshan Output of 29-inch	0.0000	0.0647	0.0000	0.3440	0.0000	0.0000	0.0000	0.0000	0.4087
Total of 29-inch output	3.0046	2.6454	3.4725	3.4157	3.2577	4.0627	3.3263	3.0101	26.1950

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	1--12
BMCC Sales volume of 29-inch	2.3824	2.0407	3.9013	3.3963	2.8113	3.4477	3.2991	3.1590	24.4378
Foshan Sales volume of 29-inch	0.0155	0.3173	0.0500	0.3001	0.0632	0.2150	0.0000	0.0000	0.9611
Total of 29-inch sales volume	2.3979	2.3580	3.9513	3.6964	2.8745	3.6627	3.2991	3.1590	25.3989

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	1--12
BMCC Inventory of 29-inch	1.2296	1.7696	1.3408	1.0162	1.4626	2.0776	2.1464	1.9975	
Foshan Inventory of 29-inch	0.8132	0.5606	0.5102	0.5520	0.4909	0.2759	0.2759	0.2759	
Total of 29-inch inventory	2.0428	2.3302	1.8510	1.5682	1.9535	2.3535	2.4223	2.2734	



# **Exhibit 102**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATORS DECLARATION:**

I, **Yang Junjun**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113405.

*(Digital or printed signature here above the line)*

*Yang Junjun*

---

**Yang Junjun**

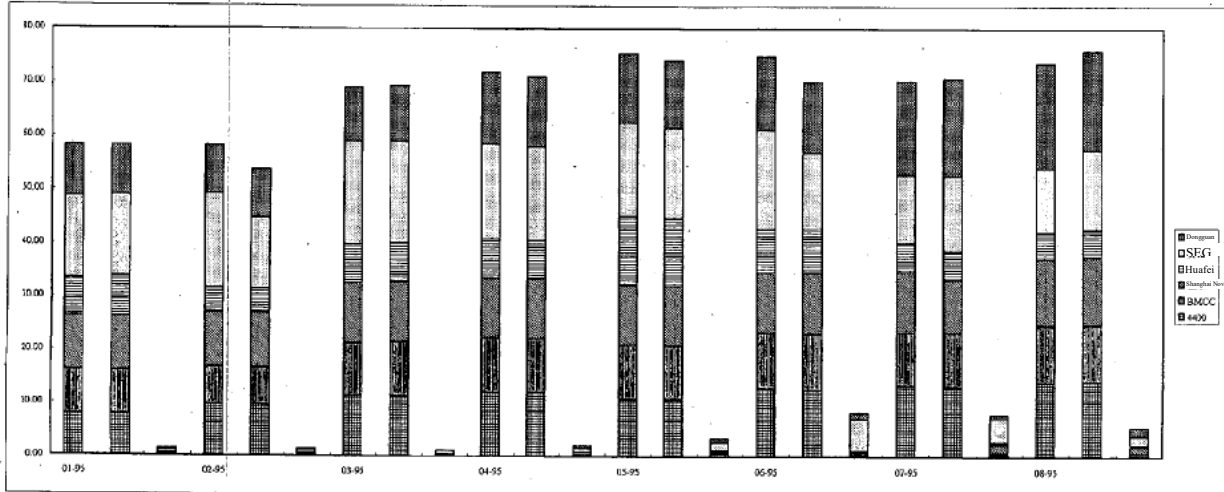
Project Number: BBLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

## Output, Sales Volume, and Inventory of 21-inch

Unit: ten thousand pieces

	01-95			02-95			03-95			04-95			05-95			06-95			07-95			08-95			1-12		
	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory	Output	Sales volume	Inventory
4400	7.89	7.84	0.02	9.62	9.54	0.09	11.15	11.20	0.05	12.03	12.04	0.04	10.65	10.68	0.00	12.81	12.52	0.26	13.30	13.13	0.43	13.8	14.2	0.1	91.26	91.10	
BMCC	8.17	8.14	0.22	7.06	6.98	0.30	10.12	10.23	0.19	10.20	10.15	0.24	10.37	10.09	0.52	10.49	10.55	0.46	10.00	10.14	0.32	10.8	10.6	0.5	77.22	76.88	
Shanghai Novel	10.23	10.24	0.10	10.28	10.31	0.07	11.19	11.25	0.01	11.19	11.25	0.01	11.30	11.30	0.01	11.30	11.49	0.02	11.45	9.93	1.54	12.5	12.7	1.3	88.90	83.99	
Huafei	7.05	7.56	0.00	4.57	4.56	0.02	7.33	7.29	0.05	7.40	7.04	0.42	12.72	12.69	0.45	8.17	8.37	0.25	5.43	5.41	0.27	5.0	5.2	0.1	57.68	58.07	
SEG	13.44	13.18	0.62	17.70	13.40	0.55	19.15	19.01	0.68	17.70	17.57	0.81	17.51	16.75	1.57	18.53	14.04	6.95	12.70	14.06	4.70	12.0	14.9	1.8	126.35	124.91	
Dongguan	9.41	9.19	0.42	8.86	8.96	0.33	10.02	10.29	0.06	13.36	12.93	0.49	12.83	12.53	0.82	13.51	13.17	1.15	17.46	18.07	0.55	19.5	18.5	1.6	104.98	103.61	
Total	58.19	58.15	1.39	58.09	53.75	1.36	68.95	69.26	1.05	71.88	70.98	2.01	73.41	74.04	3.38	74.81	70.15	8.20	70.34	70.73	7.81	73.0	76.0	5.5	544.45	540.57	



# **Exhibit 103**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATORS DECLARATION:**

I, **Yang Junjun**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113406.

*(Digital or printed signature here above the line)*

Yang Junjun

---

**Yang Junjun**

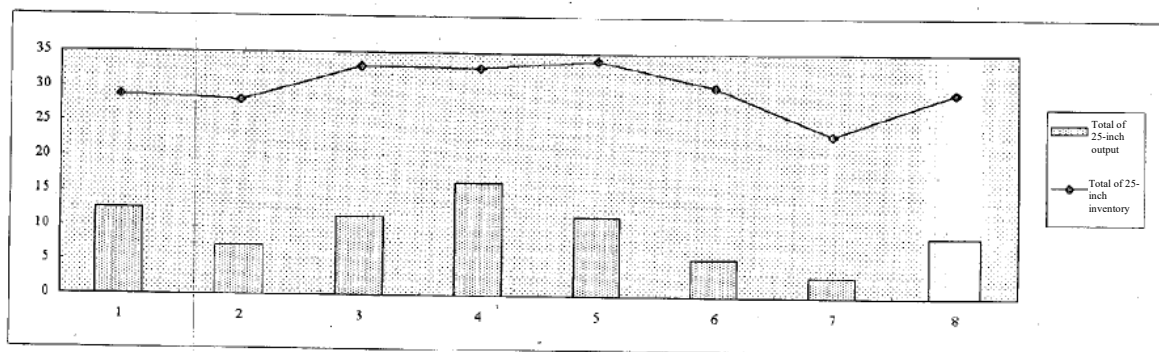
Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

## Output and Inventory Chart of 25-inch in 1995

Unit: ten thousand pieces

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	1--12
4400 Output of 25-inch									
Shanghai Novel Output of 25-inch	0.6520	2.0200	4.7456	4.8632	5.1329	4.8960	2.6144	4.065	28.9889
Huafei Output of 25-inch	6.0608	4.5600	6.6000	6.6000	0.0000	0.0000	0.0000	0.000	20.2774
Dongguan Output of 25-inch	3.3219	0.0803	0.0000	4.7085	0.5553	0.0000	0.3328	4.614	13.6131
Total of 25-inch output	2.4528	0.5061	0.0512	0.0882	5.6432	0.5110	0.0001	0.000	9.2526
	12.4875	7.1664	11.3968	16.2599	11.3314	5.4070	2.9473	8.679	72.1320
4400 Inventory of 25-inch									
Shanghai Novel Inventory of 25-inch	0.1316	0.1655	4.6586	4.1340	4.7799	5.1654	0.9728	5.923	
Huafei Inventory of 25-inch	14.4378	15.9733	19.5643	19.5643	16.6049	14.5827	13.5011	12.978	
Dongguan Inventory of 25-inch	2.9058	1.2137	0.0311	2.6758	1.8662	0.4894	0.0068	2.386	
Total of 25-inch inventory	11.2572	10.6841	8.7373	6.4062	10.6782	9.9478	8.8608	8.034	
	28.7324	28.0366	32.9913	32.7803	33.9292	30.1853	23.3415	29.321	



# **Exhibit 104**





July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATORS DECLARATION:**

I, **Yang Junjun**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113407.

*(Digital or printed signature here above the line)*

*Yang Junjun*

---

**Yang Junjun**

Project Number: BBLLP 2307 P0029

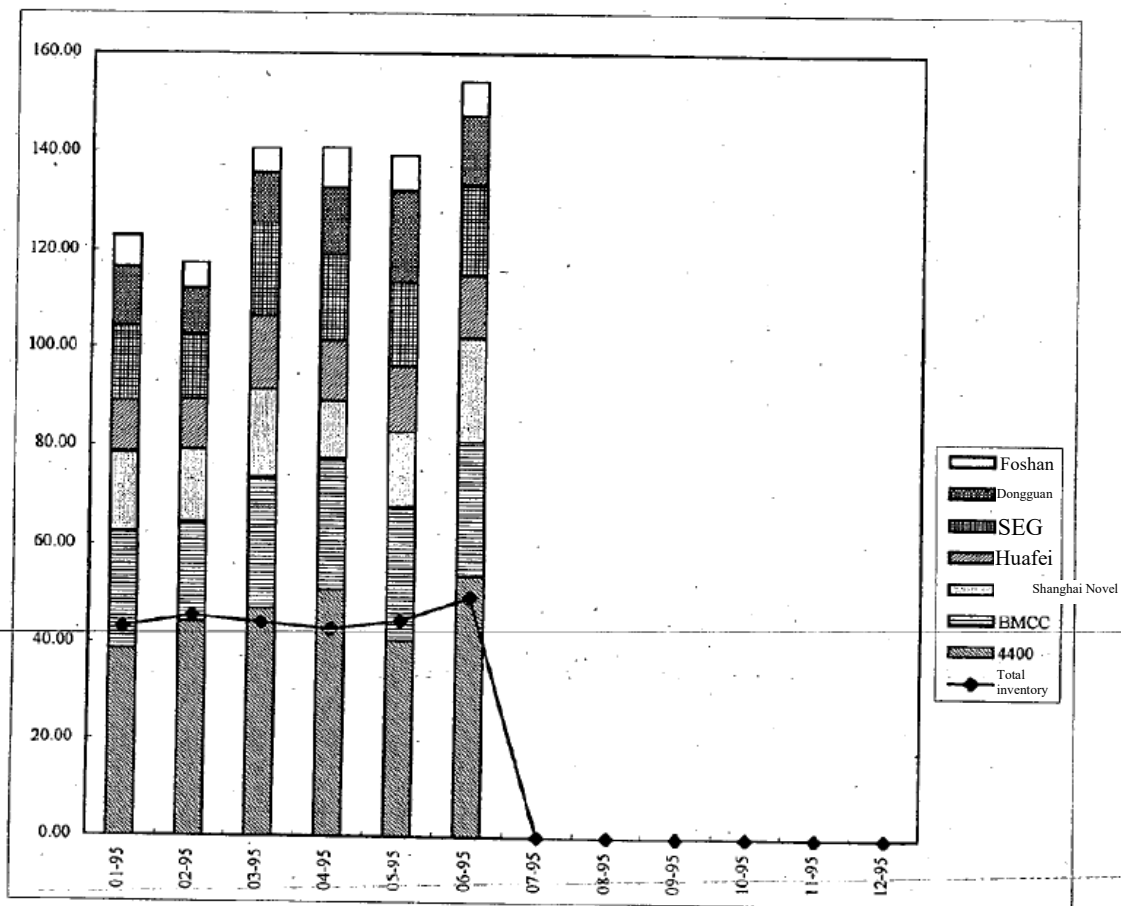
15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

CPT Trend

## Domestic Color Tube Production and Inventory Chart

Unit: ten thousands

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	09-95	10-95	11-95	12-95
Total output	122.88	117.47	140.67	140.84	139.35	154.35	0.00	0.00	0.00	0.00	0.00	0.00
Total sales volume	114.11	115.99	147.21	141.40	137.32	150.44	0.00	0.00	0.00	0.00	0.00	0.00
Total inventory	43.24	45.51	44.07	42.84	44.56	49.35	0.00	0.00	0.00	0.00	0.00	0.00
4400	38.57	44.21	46.96	50.71	40.31	53.54	0.00	0.00	0.00	0.00	0.00	0.00
Shanghai Novel	23.74	20.09	26.59	26.67	27.15	27.29	0.00	0.00	0.00	0.00	0.00	0.00
	16.29	14.84	17.79	11.77	15.30	21.20	0.00	0.00	0.00	0.00	0.00	0.00
Huafei	10.37	10.17	15.06	12.33	13.27	12.84	0.00	0.00	0.00	0.00	0.00	0.00
SEG	15.44	13.32	19.15	17.70	17.51	18.53	0.00	0.00	0.00	0.00	0.00	0.00
Dongguan	11.87	9.37	10.07	13.45	18.50	14.02	0.00	0.00	0.00	0.00	0.00	0.00
Foshan	6.61	5.46	5.05	8.23	7.31	6.93	0.00	0.00	0.00	0.00	0.00	0.00



# **Exhibit 105**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATORS DECLARATION:**

I, **Yang Junjun**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113408.

*(Digital or printed signature here above the line)*

*Yang Junjun*

---

**Yang Junjun**

Project Number: BLLP 2307 P0029

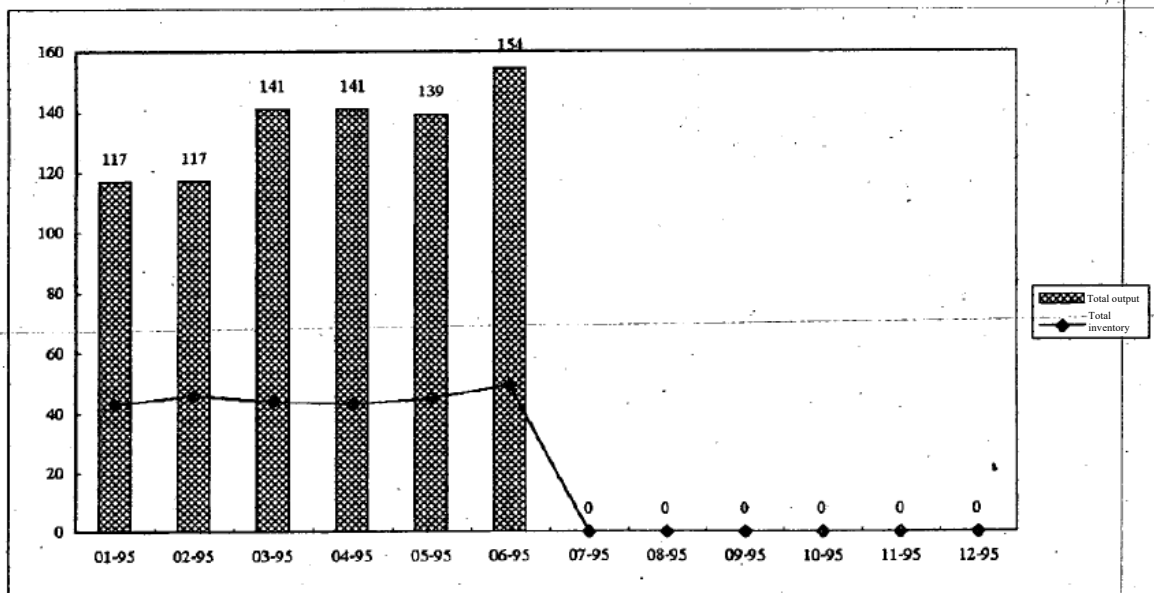
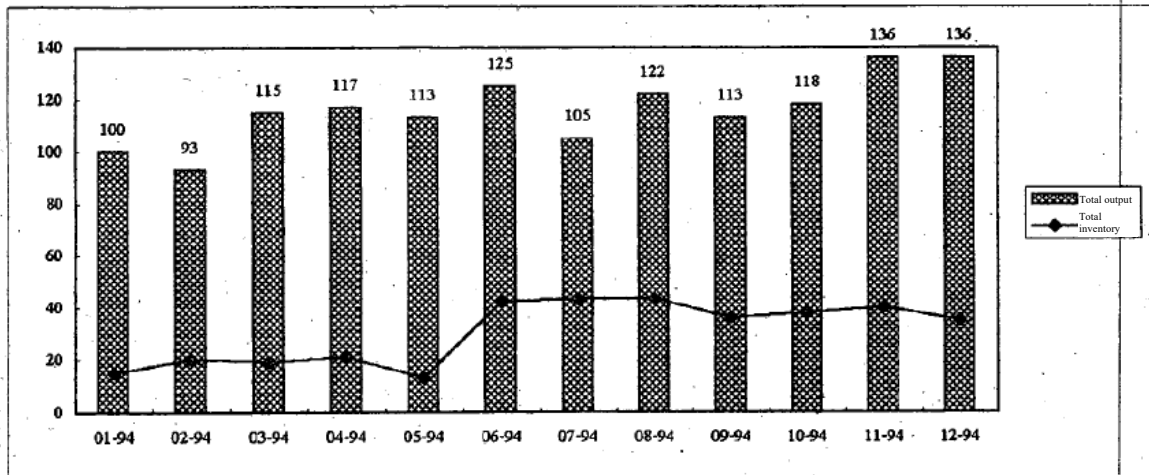
15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

Comparison of CPT Output, Sales Volume, and Inventory among the Top 7  
Color Tube Manufacturers in China in 1994 and 1995

Unit: ten thousand pieces

	01-94	02-94	03-94	04-94	05-94	06-94	07-94	08-94	09-94	10-94	11-94	12-94	Total
Total output	100	93	115	117	113	125	105	122	113	118	136	136	1393
Total sales volume	99	89	114	112	112	106	105	123	120	118	133	145	1376
Total inventory	15	20	19	21	13	42	43	43	36	38	40	35	35

	01-95	02-95	03-95	04-95	05-95	06-95	07-95	08-95	09-95	10-95	11-95	12-95	Total
Total output	117	117	141	141	139	154	0	0	0	0	0	0	809
Total sales volume	114	116	147	141	137	150	0	0	0	0	0	0	805
Total inventory	43	46	44	43	45	49	0	0	0	0	0	0	35



# **Exhibit 106**



July 19, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, Eric Vance, hereby declare:

That I possess advanced knowledge of the Japanese and English languages. The attached Japanese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113409.

A handwritten signature in black ink, appearing to read "Eric Vance", is written over a horizontal line.

Eric Vance

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

2/3

## CPT Long-Term Production Expansion Forecast (China)

Units: 10,000

[illegible]/1995

		9 4	9 5	9 6	9 7	9 8	Comments
<b>BMCC</b> (Beijing)	Joint Matsushita	255	290	390 (21": 1 million)	400	570 (CMT: 100, WTV: 70)	
Xianyang Color Tube [illegible] (Xianyang)	[illegible] Hitachi/Toshiba	441	550 (14"21": 1.1 million)	700 (14": 1.5 million)	800 (14"15" CMT: 1 million)	850 (28": 500,000)	
Nanjing [illegible] (Nanjing)	Joint Company P	140	160	160	280 (14"15"17" CMT: 120)	380 (28": 1 million)	
Shanghai Yongxin (Shanghai)	[illegible] Toshiba	182	182	182	182	282 (14"15" CMT: 100)	
Dongguan Color Tube (Guangdong Province)	[illegible] Hitachi	128	150	150	150	310 (Unknown: 100)	
[illegible] Hitachi (Shenzhen)	Joint Hitachi	178	180	180	180	380 (Unknown: 200)	
Foshan Color Tube (Guangdong Province)	Joint Thompson	58	90	90	90	190 (Unknown: 100)	
[illegible] Color Tube (Shenzhen)	Joint Samsung	0	0	0	280 (14"21": 2.8 million)	280	Equipment Investment \$3 billion Stage I construction CPT 2.8 million/year Stage II construction CPT 2.2 million/year 14"21" CPT CMT, large CPT
Shanghai Electronic Tube (Shanghai)		15	15	15	15	15	
Fuxin [illegible] (Fujian Province)		10	30	30	30	30	
Changsha [illegible] Tube (Hunan Province)	Joint GoldStar	8	8	88 (21"25": [illegible])	88	88	
Chengdu [illegible] Tube		10	10	10	120 (21": 1 million)	188 (28": [illegible])	
SONY Japan		—	—	—	—	300	Equipment Investment \$300 million Color TV 1.8 million/year Monitor 1.2 million/year
Total		1,438	1,845	1,975	2,595	3,843	



# **Exhibit 107**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, [Duling], hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113410 to BMCC-CRT000113411.

A small, square, grey-tinted image of a handwritten signature, which appears to be "Pulay".

---

[Duling]

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

&lt;Strictly Confidential&gt;

2/2

## Production of Color Tubes in China

May 26, 1995

Unit: 1,000 units

		1994										
Manufacturer		14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	29"	Total
(1)	BMCC	743	27			740		1111			257	2878
(2)	4400	1770			1041			1210	130	258		4409
(6)	Seg Hitachi							1785				1785
(11)	MAC Company											0
(3)	Huafei Company			158								1392
(4)	Novel Company				176			925		309		1621
(13)	Fuxin Company							971		474		100
(5)	Dongguan, Guangdong							100				1260
(8)	773 Factory, Chengdu							1060		200		100
(14)	Shanghai Vacuum Tube	150								100		150
(9)	Changsha Color Tube Factory							80				80
(7)	Foshan Color Tube Factory						578					578
Total		2662	27	158	1217	740	578	7243	130	1342	257	14354

## Production Line Increase Plan of Color Tube Manufacturers in China

1/2

Unit: 1,000 units

May 26, 1995

Year	1995			1996			1997			1998			Remarks
	Increased Production Lines	Production Type	Output	Increased Production Lines	Production Type	Output	Increased Production Lines	Production Type	Output	Increased Production Lines	Production Type	Output	
(1) Manufacturer													
(1) BMCC (Beijing)	1	21"	1,000							1	CMT Wide screen (7 [illegible])	1,000 700	No. 5 CMT 14", 15", 17" No. 6 Wide screen 28", 24"
(2) 4400 (Xianyang)				1	14"	1,500	1	14"/15" CMT	1,000	1	Wide screen (28")	500	
(3) Nanjing Huafei (Nanjing)							1	14" CMT 15"/17" CMT	600 500	2	25"/29" CPT	1,000	
(4) Shanghai Novel (Shanghai)										1	14"/15" CMT	1,000	
(5) Dongguan Color Tube (Guangdong Province)										2	Unknown	1,600	Schedule d to set up a joint venture with Samsung
(6) Seg Hitachi (Shenzhen)										2	Unknown	2,000	
(7) Foshan Color Tube (Guangdong Province)										1	Unknown	1,000	
(8) Hongguang Glass Bulb Factory (Chengdu)							1	21"	1,100	1	25"/29" CPT	680	
(9) Changsha Jinxing (Hunan Province)				1	21"/25" CPT	800							
(10) Sony (Shanghai?)										4	Unknown	3,000	Including 1,200 pieces of CMTs and 1800 pieces of CPTs
(11) Samsung (MAC for now) (Shenzhen?)							1	14" 21"	1,400 1,400				
(12) Chungghwa Picture Tubes (Mawei)	2	14" CMT (monochrome)	1,100 x 2	1	14" CMT 21"/20" CPT	1,200 1,200				2	14"/15" CPT	1,100 x 2	
Total	3		3,200	4		4,700	6		6,100	18		14,680	

# **Exhibit 108**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, [Duling], hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113412.

A small, square, grey-tinted image of a handwritten signature, which appears to be "Duling".

---

**[Duling]**

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

## Forecast of Color TV Demands in China (1994 – 2000)

Unit: 1,000 units

Marketing Operations Department, March 17, 1995

	1994		1995		1996		1997		1998		1999		2000	
(D+C). Total demands	18,210		19,650		20,730		21,750		22,800		23,900		24,600	
D. Exports among them	4,420		4,500		4,600		4,700		4,800		4,900		4,950	
A. Imported finished products	2,700		2,800		2,600		2,500		2,400		2,200		2,200	
B. Domestic output	16,895		17,600		18,500		19,400		20,400		21,600		22,600	
(A+B). Total Supply	19,595		20,400		21,100		21,900		22,800		23,800		24,800	
C. Domestic demands (including imports)	13,790		15,150		16,130		17,050		18,000		19,000		19,650	
C--1 14"	900	6.5%	900	5.9%	1,000	6.2%	1,000	5.9%	1,000	5.6%	1,000	5.3%	1,000	5.1%
C--2 17"	160	1.2%	350	2.3%	300	1.9%	250	1.5%	250	1.4%	250	1.3%	250	1.3%
C--3 18"	1,200	8.7%	1,400	9.2%	1,400	8.7%	1,400	8.2%	1,400	7.8%	1,400	7.4%	1,400	7.1%
C--4 19"	650	4.7%	650	4.3%	530	3.3%	400	2.3%	700	3.9%	1,000	5.3%	1,000	5.1%
C--5 20"	700	5.1%	1,000	6.6%	1,100	6.8%	1,100	6.5%	1,000	5.6%	1,000	5.3%	1,000	5.1%
C--6 21"	8,800	63.8%	9,200	60.7%	10,000	62.0%	10,800	63.3%	11,300	62.8%	11,800	62.1%	12,300	62.6%
C--7 22"	130	0.9%	200	1.3%	100	0.6%	100	0.6%	100	0.6%	100	0.5%	100	0.5%
C--8 25"	850	6.2%	1,000	6.6%	1,200	7.4%	1,400	8.2%	1,550	8.6%	1,700	8.9%	1,800	9.2%
C--9 28"/29"	400	2.9%	450	3.0%	500	3.1%	600	3.5%	700	3.9%	750	3.9%	800	4.1%
Domestic inventory (including factory inventory)	3,380		4,130		4,500		4,650		4,650		4,550		4,750	
E. Domestic color tube output	14,361		16,850		18,706		19,941		21,756		23,600		26,500	
F. Color tube exports	3,060		3,260		3,600		4,000		4,500		5,000		6,000	
(B+F). Color tube demands	19,955		20,860		22,100		23,400		24,900		26,600		28,600	

# **Exhibit 109**





July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, [Duling], hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113413.

A small, square, grey-tinted image of a handwritten signature in black ink, which appears to read "Duling".

---

**[Duling]**

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

Production of Color Tubes in China (1993 – 1998)

Marketing Operations Department, May 22, 1995

Unit: 1,000 units	1993											1994											1995										
Manufacturer	14"	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total	14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	29"	Total	14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	29"	Total
BMCC	733			501		980				71	2284	743	27			740		1111			257	2878	600	250			670		1100			360	2960
4400	957		611	30		1224	417	8			3247	1770			1041			1210	130	258		4409	2200	100	0	1000	0		1200	200	500		5200
Seg Hitachi						1380					1380							1785				1785							1800				1800
MAC Company					22	3			12		38											0							100				100
Huafei Company		34				781		208			1021			158				925		309		1392		0	350				800		250		1400
Novel Company			203			725		13			942				176			971		474		1621				450			1250		300		2000
Fuxin Company					1	60					61							100				100					300						300
Dongguan, Guangdong						93		11			104							1060		200		1260						1200		300			1500
Chengdu 773 Factory								20			20									100		100						300		300			600
Shanghai Vacuum Tube	2				55	26					83	150										150	300					100					400
Changsha Color Tube Factory						20					20							80				80						100					100
Foshan Color Tube Factory					277					29	305						578					578					900					100	1000
Total	1691	34	815	531	356	5292	417	258	12	99	9504	2662	27	158	1217	740	578	7243	130	1342	257	14354	3100	350	350	1450	670	1200	7950	200	1650	460	17380

Unit: 1,000 units												1996										1997										1998									
Manufacturer	14"	14" [Illegible text]	18"	19"	20"	17"	21"	22"	25"	29"	Total	14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	29"	Total	14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	29"	Total								
BMCC	588	378		530			1830			380	3706		529			394		2020			380	3323												0							
4400	2400	100	1000				1200	200	500		5400	2400	100		1000			1200	200	500		5400												0							
Seg Hitachi							1800				1800							1800				1800												0							
MAC Company											0											0													0						
Huafei Company		100				100	700		600		1500		500	250				800		350		1900													0						
Novel Company							1100		600	200	1900		100					1200		600	300	2200													0						
Fuxin Company											0											0													0						
Dongguan, Guangdong							1300		400		1700							1300		500		1800													0						
Chengdu 773 Factory											0											0													0						
Shanghai Vacuum Tube	500										500	500										500													0						
Changsha Color Tube Factory							600		200		800							600		200		600													0						
Foshan Color Tube Factory					1000					150	1150						1000	0			150	1150													0						
Total	3488	578	1000	530	1000	100	8530	200	2300	730	18456	2900	1229	250	1000	394	1000	8920	200	2150	830	18873	0	0	0	0	0	0	0	0	0	0	0	0	0	0					

Note: Other = Sum of 22", 17" and 28"

	14"	14" [Illegible text]	18"	19"	20"	21"	25"	29"	Other	Subtotal	Total	17"	22"	28"
1993	1691	20	815	531	356	529 2	258	99	443	9061	9504	34	417	12
1994	2662	27	1217	740	578	724 3	134 2	257	288	14066	14354	153	130	
1995	3100	350	1450	670	120 0	795 0	165 0	460	550	16830	17380	350	200	
1996	3488	578	1000	530	100 0	853 0	230 0	730	300	18156	18456	100	200	
1997	2900	1229	1000	394	100 0	892 0	215 0	830	450	18423	18873	250	200	
1998	0	0	0	0	0	0	0	0	0	0	0	0	0	

Percentage	14"	14" [Illegible text]	18"	19"	20"	21"	25"	29"	Other	Total
1993	18%	0%	9%	6%	4%	56%	3%	1%	5%	100%
1994	19%	0%	8%	5%	4%	50%	9%	2%	2%	100%
1995	18%	2%	8%	4%	7%	46%	9%	3%	3%	100%
1996	19%	3%	5%	3%	5%	46%	12%	4%	2%	100%
1997	15%	7%	5%	2%	5%	47%	11%	4%	2%	100%
1998	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

# **Exhibit 110**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, [Duling], hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113414.

A small, square, grey-tinted image of a handwritten signature, which appears to be "Duling".

---

**[Duling]**

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

## Production Capacity of Color Picture Tube Manufacturers in China (10,000 Units/Year)

April 7, 1995

SN	Manufacturer	Initially Designed Capacity	Actual Capacity in 1994		Planned Capacity in 1995		Envisioned Capacity for the Ninth Five-Year Plan		Remarks (Types Planned for the Ninth Five-Year Plan)
			Color Picture Tube	Color Display Tube	Color Picture Tube	Color Display Tube	Color Picture Tube	Color Display Tube	
1	Xianyang, Shaanxi	96	440		510	10	700	200	(CMT 14"/15")
2	BMCC	181	284	2.7	275	25	540	100	(CMT 14"/15"/17")
3	Nanjing Huafei	150	130		140		255 +605 [handwritten]	120	(CMT 14"/15"/17") (CPT 25"/29" added)
4	Shanghai Novel	160	162		200		200	100	(CMT 14"/15")
5	Shenzhen Seg Hitachi	160	178		180		200		Not yet envisioned for the Ninth Five-Year Plan
6	Dongguan, Guangdong	160	126		150		160		Scheduled to set up a joint venture with Samsung of South Korea, unknown planning for the Ninth Five-Year Plan
7	Foshan, Guangdong	90	61		100		100		Not yet envisioned for the Ninth Five-Year Plan
8	Shanghai Vacuum Tube	50	10		30		50		Not yet envisioned for the Ninth Five-Year Plan
9	Fujian Fuxin	30	10		30		30		Not yet envisioned for the Ninth Five-Year Plan
10	Changsha, Hunan	80			80		120		Unknown planning for the Ninth Five-Year Plan
11	Chengdu Hongguang	178					228		(25"/29" added, current CMT production line changed to a CPT line with 500,000 production capacity)
12	Shanghai Sony					(1.14 million 16:9) →	180	120	Negotiating, no contracts entered
13	Shenzhen MAC Samsung						360	140	Negotiating, no contracts entered
14	Tianjin Samsung						300		Negotiating, no contracts entered
15	Dalian Toshiba						300		Negotiating, no contracts entered
	Subtotal		1401	2.7	1645	35	3723+605 =4328 [handwritten]	780	
	Total		1404		1680		4503+605=5108[handwritten]		

Note: It is said that China will become the base for the export of color and black-and-white TV sets to the world, half of the annual output of about 45 million color display tubes and color picture tubes will be exported, and half of them will be sold domestically.

# **Exhibit 111**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, [Duling], hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113415.

A small, square, grey-tinted image of a handwritten signature, which appears to be "Duling".

---

[Duling]

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

## Color Tubes Production Status Chart of China

Unit: 1,000 units

June 9, 1995

Manufacturer	1990											1991											1992										
	14"	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total	14"	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total	14"	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total
BMCC	126			131		776					1,033	500			513		912					1,925	548			573		905			0.7	2,027	
4400	850		940			170	100				2,060	850		1,100			607	260				2,817	841		714		1,015	189				2,779	
Seg Hitachi											0						340					340						900				900	
MAC Company											0					300	100			10		410				200	200			100		500	
Huafei Company											0		623				190					813		667			613					1,280	
Novel Company			650								650			1,050								1,050			911		124					1,035	
Fuxin Company											0					237						237				129						129	
Dongguan, Guangdong											0											0										0	
Chengdu 773 Factory											0											0										0	
Dalian Color Picture Tube											0											0										0	
Shanghai Vacuum Tube											0	139										139				130	28					158	
Changsha Color Tube Factory											0											0										0	
Foshan Color Tube Factory											0					100						100				30	200					230	
Total	976	0	1,590	131	0	946	100	0	0	0	3,743	1,489	623	2,150	513	637	2,149	260	0	10	0	7,831	1,389	667	1,625	573	489	4,005	189	0	100	1	9,037.7

Manufacturer	1993											1994												
	14"	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total	14"	14" [Illegible text]	17"	18"	19"	20"	21"	22"	25"	28"	29"	Total	
BMCC	733			501		980				71	2,285	743	27			740		1,111					257	2,878
4400	957		611	30		1,224	417	8			3,247	1,770			1,041			1,210	130	258				4,409
Seg Hitachi						1,380					1,380							1,785						1,785
MAC Company					22	3			12		37													0
Huafei Company		34				781		206			1,821			158				925		309				1,392
Novel Company			203			725		13			941				176			971		474				1,621
Fuxin Company					1	60					61							100						100
Dongguan, Guangdong						93		11			104							1,060		200				1,260
Chengdu 773 Factory								20			20									100				100
Dalian Color Picture Tube											0													0
Shanghai Vacuum Tube	2				55	26					83	150												150
Changsha Color Tube Factory						20					20							80						80
Foshan Color Tube Factory					277					29	306						578							578
Total	1,692	34	814	531	355	5,292	417	258	12	100	9,505	2,663	27	158	1,217	740	578	7,242	130	1,341	0	257		14,353

CONFIDENTIAL

BMCC-CRT000113415 E Translation



# **Exhibit 112**



July 19, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, Eric Vance, hereby declare:

That I possess advanced knowledge of the Japanese and English languages. The attached Japanese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113416.

A handwritten signature in black ink, appearing to read "Eric Vance", is written over a horizontal line.

Eric Vance

Project Number: BLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

### External Information

3/14/95

## 1. SONY Japan

- (1) Establish a joint company with Shanghai.
- (2) Total investment: \$300 million
- (3) Products and yearly production (total 3 million/year)
  - Color TV: 1.8 million/year
  - Monitor: 1.2 million/year
  - Related parts: CPT, monitor tubes, etc.
- (4) Export ratio:
  - Export: Total 70%
  - Domestic: Total 30%
- (5) Transition to domestic production of components

Aims to realize 50% domestic production transition rate in 2 to 3 years.

Establish a joint company with Asahi Glass and Shanghai Bulb Factory to supply bulbs.

## 2. SAMSUNG Korea

- (1) Establish a joint company with Tianjin.
  - (2) Total investment: \$3 billion
  - (3) Products: Color TVs, videos, video cylinders, heads, cameras, etc.
  - (4) Establish CRT company in Guangdong.
    - ① Acquire MEK with \$60 million changeover, remove all existing lines, and replace with Samsung Korea equipment.
      - Phase I construction: CPT 2.8 million/year
        - Among which    Model 14 1.4 million/year
        - Model 21 1.4 million/year
      - Phase II construction: CPT 2.2 million/year
        - Among which    1.2 million/year (CMT)
        - 1 million/year (large CPT)
    - ② Production of 2.2 million CPTs/year is scheduled due to investment in Dongguan CPT company.
- Therefore, production of 7 million CRTs or more per year is scheduled with bulbs supplied from Zhongkang Glass Company (Corning Technologies).

### 3. Dalian's Actions

Dalian filed a complaint for SONY's project. Therefore, the state made an unofficial decision to establish a company in Dalian on the scale of 3 million CRTs per year. Dalian is currently seeking a joint partner.

#### 4. Nanjing Hua Fei

Phase I construction: 1.6 million/year (current)

Phase II construction: 2.1 million/year (expansion construction is scheduled to start in latter half of '95)

Among which: CMT 1.2 million/year

CPT 900,000/year (model 25 + model 29)

5. GoldStar Korea

Establish joint company with Changsha.

Production of 1.2 million CPTs/year scheduled. (Production scheduled to start at end of year in '95)

6. Xianyang CRT Factory

'94 results: CPT 4.5 million/year

'95 scheduled: CPT 5 million/year or more

2000 forecast: CRT 9 million/year

Among which CPT: 7 million/year

CMT: 2 million/year

7. What the Future Looks Like

China as a whole: Total color TV and CRT after 5 to 10 years: 40 million/year

Among which: 20 million exported

20 million domestic

8. [illegible] Zhang's Comments

It is preferable to get to work on phase III construction early.

Reasons: ① Enter the market ahead of Sony and Samsung Korea

② May be restricted by the state again.

End

# **Exhibit 113**



**certifiedtranslate**  
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## CERTIFIED TRANSLATION

### Description of Document(s):

<b>NEWS ARTICLE RE:</b>
<b>SHANGHAI NOVEL'S SERIES OF PROJECTS BECOMES MODEL OF SINO-JAPANESE COOPERATION</b>
<b>BMCC-CRT000113418 through BMCC-CRT000113419</b>

Source Language: <b>CHINESE</b>	Target Language: <b>ENGLISH</b>
---------------------------------	---------------------------------

WITH REFERENCE TO THE ABOVE MENTIONED MATERIALS/DOCUMENTS, we at Language Fish LLC (doing business as www.certifiedtranslate.com), a professional document translation company, attest that the language translation completed by Language Fish's certified professional translators, represents, to the best of our judgment, an accurate and correct interpretation of the terminology/content of the source document(s). **This is to certify the correctness of the translation only.** We do not guarantee that the original is a genuine document or that the statements contained in the original document(s) are true.

IN WITNESS WHEREOF, Language Fish LLC has caused the Certificate to be signed by its duly authorized officer(s).

**By:** Sean Kirschenstein, Director

**Date:** March 18, 2022

A copy of the translated version(s) is attached to this statement of certification.

## Shanghai Novel's Series of Projects Becomes Model of Sino-Japanese Cooperation

(Source: This Paper) By Reporter Chen Xueyan

Shanghai Novel's CRT projects are models of Sino-Japanese cooperation, and there are years of practical evidence to back up that claim. Comrades Jiang Zemin and Wu Bangguo both expressed approval during their inspection of the company. The chairman of Shanghai Novel's partner, Toshiba of Japan, praised Shanghai Novel as the "most successful" of Toshiba's ten-plus overseas ventures. He added: "The Chinese government proposes to help large and mid-size enterprises thrive, and Shanghai Novel is a case study."

Since 1988, Shanghai Novel CRT Co., Ltd., has partnered with Japan's Toshiba, importing from the latter advanced, international-grade 18", 21", and 25" CRT assembly lines plus modification work costing in total more than a billion RMB. Due to efforts by both the Chinese and Japanese sides, in 1994 alone, Novel produced 1.625M CRTs, generating 1.72B RMB in sales revenue, 1.62 times that of 1993, and 160M RMB in profits, a growth of 1.28 times year on year. Its exports reached 12M USD, with CRTs selling as far away as in Italy, Australia, and Hong Kong.

The perfect match between Novel and Toshiba has yielded other new fruit in Sino-Japanese cooperation. Shanghai Novel, Japan's Toshiba, and Japan's Mitsui & Co. jointly established Shanghai Xinzhi Electronics Co., Ltd., which, less than a year later, has already launched production. That subsidiary produced its first flat shadow mask on June 29, 1994. Since September, product quality and volume have risen dramatically, with production of shadow masks for the year reaching 650K pieces, placing the company first among domestic competitors in terms of project construction and speed of pilot production. Xinzhi's shadow masks are in high demand among foreign clients. Businesspeople from places including Italy and India have arrived to discuss orders after hearing the news, saying: "We'll take as much as you've got."

Shanghai Novel and the Japanese companies Sanwa Electric Co. and Kaga Electronics Co. jointly established Shanghai Xinhe Electronics Co., Ltd., signing their contract in June 1994. By the end of the year, the new company had already started trial production and produced 100 sets of 25" CRTs, 75 of which have been sent to Japan for technical certification as planned. This subsidiary also produces gaming machines, all for export. Shanghai Xinzhi Co.'s and Xinhe Co.'s establishment and launch are a great step forward for Shanghai Novel's expansion. With these developments, a Novel Group Corporation is coming into form.

Not one to rest on its laurels, Shanghai Novel has set ambitious goals for the new year. It aims to produce over 2.05M CRTs in 1995, to reach a yield of 99.86%; its sales income is forecast to reach 2.265B yuan, its profits to be as high as 190M yuan, and its export earnings to leap to 40M USD.

Editor in Chief: Jin Jianhang

95HXLS

China CRT Production Status Chart 1993 to 1997

Marketing Dept.

1995/2

Units: Thousands

Units	93%										94%										95%										
	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	
BMCC	739			501		980			71	2284.3	740	24								257	2361	600	250			670	1170		380	3050	
4400	957		611	30		1224	417	8		3245.9	1750	0	0	1050	0	1210	130	250		4400	2200	100	0	1000	0		1260	200	500		5200
SEG Hitachi						1360				13/9.8										1780											1800
Michael Co.					22	3		12		37.5						100				100											100
Huafei Co.		34				781		206		1020.9		0	160			510		230		1300				0	250			800	250		1400
Novel Co.			200			725		13		941.7				190			970		470		1620			450			1230	300	0	2000	
Fuxin Co.					1	60				61.2						100				100							300				300
Guangdong Dongguan						93		11		103.75						1060		200		1200						0	1200	300			1500
Chengdu 773 Plant								20		22								100		100							300	300			600
Shanghai Electronic Tube	2					56	25			82.8	150					0	0			150	300					0	100				400
Changsha CRT Plant						20				21						60				80						0	100				100
Foshan CRT Plant						277				29	305.4					610				0	610					300	0		100	1000	
Total	1681	34	810	531	350	5292	417	258	11.9	9594.26	2640	24	160	1230	740	710	7210	130	1260	257	14361	3100	350	350	1450	670	1200	8100	200	1500	17450

Units: Thousands

Units	96%										97%										98%										
	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	14"	17"	18"	19"	20"	21"	22"	25"	28"	TTL	
BMCC	988	378			535				1830	380	3700	608	629		394		2020			380	3301										0
4400	2400	100	1000	0	0	0	1200	200	500		5400	2400	100	0	1000	0	1200	200	500		5400										0
SEG Hitachi									1800		1800						1800				1800										0
Michael Co.											0									0											0
Huafei Co.		100				350	800		400		1550		500	350			800		500		2150										0
Novel Co.				450			1100		500	100	2150		100		450		1200		500	300	2650										0
Fuxin Co.						300					300										0										0
Guangdong Dongguan							1300		400		1700						1300		500		1800										0
Chengdu 773 Plant											0										0										0
Shanghai Electronic Tube	500										500	500									500										0
Changsha CRT Plant							500		200		800						600		200		800										0
Foshan CRT Plant						1000					1150						1000			150	1150										0
Total	3488	578	1450	530	1300	350	6530	200	2000	830	19156	3608	1229	350	1450	354	1000	8900	200	2000	630	20181									0

Note: Others = 22", 17", 28" combined

Ratio	Othe Sub										Total
	14"	17"	18"	19"	20"	21"	22"	25"	28"	rs	
93%	1031	20	815	531	355	5292	258	98	443	9061	9594
94%	2640	24	1230	740	710	7210	1230	257	230	14871	14361
95%	2100	350	1450	670	1200	8020	1650	480	950	16300	17450
96%	3488	578	1450	530	1300	8630	2000	630	950	18805	19156
97%	3506	1229	1450	394	1000	8920	2300	830	950	19631	20181
98%	0	0	0	0	0	0	0	0	0	0	0

Ratio	Oth										Total
	14"	17"	18"	19"	20"	21"	22"	25"	28"	ers	
93%	18%		9%	6%	4%	56%	3%	1%	5%	100%	
94%	18%	0%	9%	5%	5%	50%	9%	2%	2%	100%	
95%	18%	2%	8%	4%	7%	45%	9%	3%	3%	100%	
96%	18%	3%	8%	3%	7%	45%	10%	3%	3%	100%	
97%	17%	6%	7%	2%	5%	44%	11%	4%	3%	100%	
98%	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	ND/N/O	



# **Exhibit 114**



July 24, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, **Ann Chen**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: IRI-CRT-00004673-74; IRI-CRT-00004746-52; IRI-CRT-00004757-64.

*(Digital or printed signature here above the line)*

Ann Chen

---

**Ann Chen**

Project Number: BBLLP\_2307\_P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

人見与重加  
二二二

Fonds  
Number

Catalog  
Number

[illegible] Company

[illegible]

Year

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# Irigo Group Co., Ltd.

## B01 Administrative Affairs

### Minutes of Administrative Work Meetings for 1995

From January 1995 to October 1995	Retention Period	Indefinite period
The volume has a total of 167 papers	File No.	

Fonds Number	Catalog Number	Docket Number
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# Minutes of Meeting

Name of Meeting: Administrative Work Meeting

Time: March 20, 1995

Venue: Conference room on the sixth floor of Irico Hotel

Chairman: Zhang Wenyi

Participants: Wu Yingzhong, Ji Qing, Wu Weiren, Wang Liguang, Tao Kui

Attendance without voting rights: Zhou Chen

Topic:

Recorded by: Li Wenfu

## **Irigo Electronics Group Co., Ltd.**

Zhang Wenyi: In the morning of Last Friday, I received a fax and call from the Ministry of Electronics Industry about the issue of those factories in the south. The Ministry is going to have a meeting to discuss the issue about transferring MAC to Irigo. Irigo is going to move its headquarters to Beijing, so it is also possible to transfer the China Electronic Devices Industry Corporation to Irigo. We're going to talk about this at today's meeting, and Wu Weiren and I will report to the Ministry tomorrow.

Wu Weiren: MAC is useless to us. I prefer Zhongkang [“中康”, transliteration, the same below].

Zhang Wenyi: Is it possible to propose this under the modern enterprise system? Is it possible to give Irigo the treatment as a joint venture when we acquire MAC? Will the income tax be reduced from 33% to 15%; Dare we acquire MAC under the premise that the interests payments are suspended and the payments will be made on yearly installment? Meanwhile, we are going to take all the shares of Zhongkang held by the Ministry of Electronics Industry, and request Shenzhen Municipal Government to establish the Shenzhen branch of Irigo for us.

Ji Qing: The state has introduced a policy for enterprises running under deficit, so I think it's feasible.

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Page

## Irigo Electronics Group Co., Ltd.

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Zhang: Glass bulbs are the only advantage of the Shenzhen factory, but we need to consider the influence of “Joining GATT”. What should we do after (China) joining GATT?

I wonder, if the state approves our request, the renovation of MAC is still a great challenge after it being transferred to us. Under the worst scenario, can we move our 14" refurbish product production line there? Another choice is to do the renovation based on the original conditions.

Wu Yingzhong: I think we'd better give up MAC. I don't want us to carry this burden. Institute No. 6 [“六所”, transliteration, the same below] has many good projects, which also requires us to increase capital investment and to strengthen the management. I believe that the Yellow River Factory in Shaanxi is going to be merged sooner and later, so I think we'd better give up MAC but Zhongkang is acceptable. Secondly, if the state offers a very favorable policy and requires no funding from Irigo, we may give it a try.

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IRI-CRT-00004748\_E Translation

## Irigo Electronics Group Co., Ltd.

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Zhang Wenyi: Another issue is to complete the CI design in the second half of this year, so it is necessary to publicize Irigo more extensively while acquiring Institute No. 6 and the factories in the south. As the group expands, the spending on social affairs will increase, including that on education (about RMB1 million), and that on art – to enhance the cultural taste of Irigo. Buying famous Chinese paintings may be feasible.

In addition, we will review the profits and benefits this June. If we have constructive performance in the first half of this year, we may do something for the employees, such as renovating the balcony, etc., which is to be discussed by the labor union after June.

We have invested RMB20 million in Institute No. 6, so we may need to establish a team. Director Wu and I will have a trip to Beijing to work on this and push it forward, and in the meanwhile, Beijing headquarters may also work on it.

Ji Qing: The planning meeting of Institute No. 6 may be brought forward, which will be held from March 30 to April 1.

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## **Irico Electronics Group Co., Ltd.**

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Zhang: The planning meeting of Institute No. 6 is mainly going to address two issues: one is the concept of industrial expansion and the other is to solve the problem of financial decentralization.

Director Wu: A visit to Chengdian [“成电”, transliteration, the same below] may be arranged for Director Zhang to check and manage the projection tube issue.

Zhang: An announcement should be circulated to define the division of responsibilities of our heads after Factory Manager Ma leaves. Factory Manager Ji is responsible for import & export, the glass factory and the power station; Liguang is responsible for the sales company; Secretary Tao, Factory Manager Ji and Liguang, three of them are responsible for the business of the Xianyang headquarters.

I discussed the issue of the glass factory with HEG in Hong Kong. HEG will establish a joint venture in Xianyang to work on the post process of glass bulb, and the Xianyang headquarters will be the major shareholder. We concluded a Letter of Intent and decided the schedule.

Factory Manager Ji and Liguang will be in charge of the internal renovation, for which the general principle is to minimize capital input to reduce future risks.

Wang Liguang: Firstly, we are going to apply for the certification of AAA Safety Enterprise this year, so we have, in the name of Director Zhang, invited Zhang Jinqiang, the Deputy Minister of the Ministry of Electronics Industry to pay a visit to our factory. Secondly, we have started to move the coils production equipment to the new site, but can we just move the convergent magnetic parts directly to Shenzhen, instead of transit at the new site? Otherwise, the current factory will not be large enough for CDT coils production during future expansion.

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IRI-CRT-00004750\_E Translation

## **Irigo Electronics Group Co., Ltd.**

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Zhang: Liguang and Secretary Tao may discuss this issue (the coils and the convergent magnetic parts) to decide an appropriate place for them.

Director Wu: Mr. Harauchi (原内) of Toshiba is about to retire. He wants to visit Irigo and requests an invitation letter from us.

Zhang: It's ok to send him an invitation letter.

Wu: The second thing, we have made the payment of RMB2 million for the projection tube project to Chengdian, so our technicians can participate in it now. I am thinking about sending some people from Irigo and Institute No. 6 to Chengdian.

Zhang: It works.

Wu: Is Beijing headquarters going to be placed in Institution No.6?

Zhang: Yes, the headquarters is going to be placed in Institute No. 6. In principle, no headquarters building will be built in Beijing.

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IRI-CRT-00004751\_E Translation

# Irigo Electronics Group Co., Ltd.

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Tao Kui: Toshiba

Name of Meeting: Irigo Group & Institute No. 6 Joint Work Meeting

Time: April 2, 1995

Venue: Xiaotangshan Air Force Guest House, Beijing

Chairman: Zhang Wenyi

Participants: Zhang Wenyi, Xue Baoming, Li Manjun, Wu Yingzhong, Ji Qing, Xi Chengshan, Hu Lianjin, Liu [illegible]fu, Wen Lianglin

Attendance without voting rights: Xiong Guangqian, Li Wenfu

Topics: 1. Work contacts between the functional departments of Irigo and Institute No. 6

2. Outline of the information engineering development plan

Recorded by: Li Wenfu

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IRI-CRT-00004752\_E Translation

# Minutes of Meeting

Name of Meeting: Administrative Work Meeting

Time: April 5, 1995 9:00

Venue: Conference room on the sixth floor of Irico Hotel

Chairman: Zhang Wenyi

Participants: Wu Yingzhong, Ji Qing, Wang Liguang, Tao Kui, Li Zuoting

Attendance without voting rights: Zhou Chen, Sun Shuili, Wang Jun

Topics: 1. Determination of the CIS design scheme and publicity  
2. House building plan reported by the labor union  
3. External development

Recorded by: Li Wenfu

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# **Irigo Electronics Group Co., Ltd.**

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Topic 1: Report on CIS design and determination of the logo of Irigo Group.

There were 119 design schemes, and 10 were ultimately selected. Experts prefer No. 15 and No. 21.

It is agreed that experts may decide between No. 15 and No. 21.

Shuli: More work should be done on CI introduction and publicity. For the time being, Irigo is “a barely-known industry leader”.

I. Focuses of this year’s publicity are the four aspects as follows:

1. “Start well and end well” – to get the CIS project well done;
2. To prepare publicity materials;
3. To prepare name cards, labels, suits, etc. when the CI design is done in September;
4. To hold a press conference, as well as a CI seminar lectured by experts.

II. We should make full use of news media to publicize ourselves.

1. To place advertisements on CCTV for three to six months;
2. To pose reports on People’s Daily, China Electronics News, Shaanxi Daily and other three newspapers, which will cost RMB600,000 in total;
3. Erect semi-permanent advertising boards in Xi’an or Beijing;
4. To release short advertisements.

## **Irico Electronics Group Co., Ltd.**

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III. We should join in some influencing social events:

1. The World Conference on Women in September;
2. The National Conference on Tourism, which will cost RMB1.5 million;
3. The logo of “Irico City”;
4. Signs of the factory should be unified.

Zhang Wenyi: CI design should be accelerated. The determined logo should be most extensively publicized. A general scheme and the budget should be determined, which should be included in our budget plan.

Li Zuoting: Report the house building plan.

Principles: 1. 1,268 houses, including 632 commercial ones and 636 discounted ones;

2. Employees without a house should be given priority to;

3. The Administrative Department does not participate in determining house distribution plan in principle.

176 houses of 67.19m<sup>2</sup>

24 houses of 88.3m<sup>2</sup>

72 houses of 93.5m<sup>2</sup>

28 houses of 78.92m<sup>2</sup>

142 houses of 88.3m<sup>2</sup>

The house distribution plan and the queueing plan are to be determined by the labor union committee without the engagement of the Administrative Department.

## **Irigo Electronics Group Co., Ltd.**

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Zhang Wenyi:

We performed excellently in the first quarter – in both sales and profits. The sale of 25" products picked up, and we expect that more than 500,000 will be sold by the end of the year. The profit tax for April is estimated to be around RMB250 million. Considering the circumstances of joining GATT, we will continue to export 14" products, and will increase the unit price of 14" products by RMB30 to RMB490 and the unit price of 18" products by RMB20. We are going to export 21" products, for real. Our 21" products are going to go global, and their unit price will be close to the global price of USD83. The 21" market will be boosted by export, and we should consider addition of 30,000 to 50,000 pieces of 21" products for export. The key of sales is to focusing on several big clients.

External development:

1. The taking over and planning seminar of Institute No. 6 was successfully held.

Topics include: (1) Development of industrial control (up to RMB2 billion by 2000);

(2) Workstations;

(3) Displays will be a new growth point (up to RMB1 million sets by 2000);

(4) SPC exchanges and user-level and local exchanges (RMB2 million sets);

(5) Sales agency of microcomputers.

By 2000, the total income from sales will reach RMB6 to 7 billion and the profit tax will reach RMB1.6 to 1.7 billion. It will become the second primary business of the group.

2. The Ministry has discussed with us about the three factories in Shenzhen:

(1) MAC: The Ministry of Electronics Industry will hold 40% of the shares, and the liability amounts to USD70 million;

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## **Irico Electronics Group Co., Ltd.**

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(2) Zhongkang: The loan totals RMB2.3 billion, and 40% of the shares were held;

(3) SEG-Hitachi: It has been performing well up to date.

On the whole, we are thinking about rejecting it as far as possible or forcing down the price as much as possible if it's unavoidable. We prefer MAC to go bankrupt and we taking over Zhongkong and SEG-Hitachi only. We are now in an uncertain situation, and it may take long.

### 3. The three factories in the province

We maintain a positive attitude toward the three factories in the province and suggest step-by-step actions and wait for opportunity. We may talk to the heads after the report comes out.

It is enough for Xianyang to have tubes, and the communication part will be developed in Institute No. 6. Whole machine is the only part we are lacking now. Director Wu (武总) and I will go to Japan and discuss with Toshiba about this issue. We can build a new joint-venture for producing whole machine, and it is less burdensome than taking over an old factory.

### 4. The cooperation with Chengdian on projection tubes has been concluded

It is a product for future and we'd better keep it confidential for now as the school is under pressure. We entered into an agreement this time, and Liguang is going to take equipment management personnel there to check it on. Technology personnel should participate in it for early technical integration. If the products can be launched in the market one or two years later, they will be our new generation of products.

Wang Liguang: I retain the contact information of Fujitsu on my last trip to Japan.

Zhang: Send the name card to Director Li Manjun so that they can get in touch.



## **Irigo Electronics Group Co., Ltd.**

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Wang Liguang: 1. Report on the progress of the 14" refurbish product production line.

2. As to the assessment of AAA Safety Enterprise from April 9 to 11, Li Yuxiang of the Department of Economic Operations, Ministry of Electronics Industry is appointed as the team leader. Preparations are complete.

3. The current daily output is 21,000 to 22,000 CPTs on average, and the yield rate is 96.3%. It is estimated that the annual output will be 5.6 million this year. The quality and user first pass rate will be 99.3%.

4. About the deflection coil project in Changsha:

(1) It is commenced ahead of schedule; (2) So as the second phase.

Zhang Wenyi:

Lin Guoliang proposed us to build a new production line in Fujian for him and to build another line in the Philippines. A Greek businessman wants us to invest in a 14" post-process line in Greece. Communications on the above may start now, and the picture will be clear after we complete the 14" refurbish product production line. It will help us to be known around the world.

Wu Yingzhong:

We can take 15% of the technological shares of the Changsha project, and contribute to invest 10% more shares to make our shares up to 25%.

- I agree that we may not be a controlling shareholder but we can take some of the technological shares and contribute a little more.
- The other opinion is that we may sell technology and contract projects.

Tao Kui:

Report on the last talk with Toshiba about the jointly-invested fluorescent powder project.

Zhang: I disagree to the joint investment in the fluorescent powder project with Toshiba since the project is highly profitable.

## **Irigo Electronics Group Co., Ltd.**

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Foreign investors can only become the minority shareholders in this project if we introduce foreign investment, and we must be in control of the manufacturing and operation. We should also include the foreign companies of our own in the foreign investment.

In addition, we can discuss with Toshiba for a lamp powder joint venture, because we already have the technology for CPT powder.

Tao Kui:

The issue with Hongtian [“虹天”, transliteration] has been addressed, and we have got the RMB500,000 back.

The project in Kunshan is to undergo acceptance inspection in April, and preparations have been done.

Zhang:

With the appreciation of the Japanese Yen, we should tell the Import & Export Company to explore the American or European markets for the equipment that we ordered from Japan before. We can arrange a field survey and gradually transfer the orders from Japan.

Ji Qing:

Concerning the issue of signing contracts with externals and the regulation on employees going abroad, the power and technical center has something to do with that.

Zhang: Equipment contract and the appointment of employees going abroad can't be combined for signing. We can only sign equipment contract now, and the issue of employees going abroad should be addressed separately. And it should be discussed with the HR department whether internship is needed for the same equipment newly purchased.

# Irico Electronics Group Co., Ltd.

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Wu:

There have been a lot of issues concerning development recently, so we need to decide the priorities. In my opinion, the priorities should be given to the base in Xianyan and the information business of Institute No. 6. In addition, the projection tube, the whole machine business and glass business should be developed. We should preserve some lands in Xianyang, and add colored glass bulb business in Xianyang. I think we'd better submit a report to the state now.

(1) There have been quite a lot of demands for CDTs, and the price rebounds. We should take this opportunity to boost the growth of mass production output of CDTs. The step-by-step implementation of CDT will be discussed during this visit to Toshiba.

(2) With regard to the projection tube issue, Factory Manager Ji and Wang Liguang, please discuss the dispatching of staff and make a decision on the personnel.

Zhang: When Director Wu (武总) and I are out, Wang and Tao are the responsible persons for the factory and the (key focuses) are still quality and safety.

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# **Exhibit 115**



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I, Dan McCourt, hereby certify that the document “**IRI-CRT-00004769-773**” is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.



Dan McCourt

Sworn to before me this  
September 14, 2022



Signature, Notary Public



Stamp, Notary Public



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I, Dan McCourt, hereby certify that the document “**IRI-CRT-00004673\_769**” is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

Dan McCourt

Sworn to before me this  
September 6, 2022

Signature, Notary Public



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**Minutes of Meeting**

Name of Meetings: *Administrative meeting*

Time: *April 28, 1995*

Venue: *Conference room on the sixth floor of Caihong Hotel*

Chairman: *Zhang Wenyi*

Participants: *Xue Baoming, Wu Yingzhong, Ji Qing, Wang Liguang, Tao Kui, Li Zuoting*

Attendance without voting rights: *Niu Wenjun, Li Wenfu*

Topic:

Recorded by: *Li Wenfu*

**Caihong Electronics Group Corp.**  
**CAIHONG ELECTRONICS GROUP CORP.**

*Zhang Wenyi: We are holding a meeting. The factory is in an excellent position, and we have passed the special safety assessment.*

*The output this month is 540,000, and we reported 510,000. On the whole, the situation at the headquarters is great, so the publicity effort for Caihong headquarters should be stepped up. The achievements that we have made would not have been possible without everybody's hard work. As for the internal imbalance of management and the different levels of different units, we should inform our employees through various channels.*

*Each unit should learn from the Plant No. 2 and set a progressive example for our management. Management cannot relent by any means; the achievements that we have made this year, in spite of the fact that our leaders have been busy running around outside, indicate that our mechanism adjustment is successful.*

*Internal management is our basis. Our experience for success over the past few years can be summed up in two points: 1. strict internal management; 2. continuous technological transformation.*

*All leaders, now I will report on Chief Wu's and my visit to Japan this time. Toshiba indeed wants to cooperate with Caihong and thinks highly of Caihong. The results of our negotiations with Toshiba were excellent: we signed two agreements, one about whole sets, and the other about technical aid relating to tubes, including 16:9, CDT.*

*In addition, we also talked about a joint venture on fluorescent powder as well as the SAW filter project in Zhuzhou. If Toshiba wants to establish a joint venture on fluorescent powder, it must be expanded to cover powder for power-saving lamps and then be extended to power-saving lamp projects.*



**Caihong Electronics Group Corp.**  
**CAIHONG ELECTRONICS GROUP CORP.**

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**Caihong Electronics Group Corp.**  
**CAIHONG ELECTRONICS GROUP CORP.**

*Lastly, we held talks with Asahi Glass Company for half a day, during which they proposed setting up a joint venture with us to develop glass bulbs. Asahi Glass Company is prepared to set up two joint ventures in China: one has been determined with Shanghai, and it plans to set up the other with Xianyang. As the prospect with Zhongkang, among others, is not yet clear, I have not agreed to it.*

*We also exchanged opinions with Marubeni, Nichimen and other companies this time. Japan is now developing rapidly in communications, so we can have contact with them on that front as well.*

*The third issue pertains to the tasks that the Ministry and Province plan to assign to us.*

*All in all, having some external enterprises assigned to us is an opportunity for us, but we need to adhere to two principles: 1. the interests of our headquarters cannot be affected; 2. we need to further develop and expand Caihong. Only under these two conditions can we discuss the issue with the Ministry and Province.*

*The Ministry has made it clear that it will assign China Electronic Device Company to Caihong, and the official document will be issued very soon. The main business of China Electronic Device Company is in Shenzhen, with MAC accounting for 40% and Zhongkang and SEG Hitachi being dormant shareholders. One thing that the Ministry has clarified for the time being is that it will assign the shares of China Electronic Device Company to Caihong, and the second step is to transfer the shares of CEC to Caihong. Besides, some trading companies will also be involved.*

*MAC has a total of RMB1.25 billion (equity capital + liabilities)  $\times$  40% = RMB500 million to be transferred to Caihong.*

*Operation schemes: 1. Continue to develop CRT business;*

**Caihong Electronics Group Corporation**  
**CAIHONG ELECTRONICS GROUP CORP.**

2. *Establish a joint venture with Toshiba in the factory of MAC to develop TV sets;*
3. *Continue to negotiate with South Korean company Samsung on the MAC matter to sell it to Samsung;*

*This actually means getting rid of MAC and then cooperating with Toshiba to develop CTV and CRT business in Dalian.*

*The fourth issue concerns the three TV set factories that the Province plans to assign.*

*Firstly, we should put forward conditions to the Province. (1) Can the Province approve our joint-venture glass bulb factory? And the product structure must be adjusted. Deploy a project in the Ruyi Factory or facilitate the formation of a joint venture between Konka and Ruyi. The problem with the Huanghe Factory is the most troublesome, as it is a listed company with strong strength. The fridge business of Huanghe should be transferred out of our hands, so that we can focus on developing CTVs; meanwhile, the technology of Toshiba should be imported. The nationwide sales network of China Materials and Equipment Corporation should be integrated as the exclusive sales network of Caihong.*

*As for the Haiyan Factory, we can simply let it go bankrupt. If not, we can develop it into a Pianzhuan Factory worth RMB4 million.*

*Dear leaders, please digest all the material first. A leadership meeting will soon be held for two and a half days, from the afternoon of May 3 through May 5. We will strive to hold a plenary meeting for all middle-level cadres around May 10, if possible.*

1. *The operations of projects;*
2. *The organizational guarantee and cadre support for completing such operations; Headquarters relocation to Beijing, [illegible] cadres; provincial organizational leadership, and negotiations on southern matters.*

# 会议记录

会议名称: 行政办公会

会议时间: 1995年4月28日

会议地点: 彩虹宾馆二楼会议室

主持人: 张文茂

出席人员: 薛宝明, 武英忠, 吉庆, 王季子  
陶魁, 李作亭

列席人员: 牛文军, 李煜夫

会议议题:

记录人: 李煜夫

# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

張文義：開會。廠里的形勢非常不錯，安全特評已通過。

本月產量54萬，上報51萬，總的來說大本營的形勢非常好，所以對彩虹大本營的宣傳要加強。現在取得的成績也是大家辛苦幹出來的，管理在內部不平衡，各單位水平不一樣，我們要通過各領導對照工作。

各單位要向二廠去學習，樹立我們的管理先進樣板。管理絕對不能鬆懈；從今年來看我們的領導跑去時間的在外面跑，廠內還能取得這樣的成績，說明我們的機制跟調整是成功的。

內部的管理是我們的基礎，這几年的成功經驗就是兩條：一個是內部的嚴格管理，二是不斷的進行技术改造。

這次我和武總去日本的情況向各位領導汇报一下。東芝確實想和彩虹合作，對彩虹的評價相當高。和東芝談的結果相當好，簽訂了兩個協議書，一個是整機，另一個是管子方面的技術援助，包括16:9, CDT。

除此之外又談了螢光粉的合資和株洲的聲表濾波器項目。東芝如要搞螢光粉合資必須擴大至節能燈用粉，再延伸至節能燈項目。



# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

張文義：開了會。廠里的形勢非常不錯，安全特評已通過。本月產量54萬，上報51萬，總的來說大本營的形勢非常好，所以對彩虹大本營的宣傳要加強。現在取得的成绩也是大家辛苦干出來的，管理在內部不平衡，各單位水平不一樣，我們要通過各種渠道對員工工作。

各單位要向二廠去學習，樹立我們的管理先進樣板。管理絕對不能松懈，從今年來看我們的領導脫去時間的在外面跑，廠內還能取得这样的成绩，说明我們的机制跟調整是成功的。

內部的管理是我們的基礎，這几年的成功经验就是两条：一个是內部的严格管理。二是不断的进行技术改造。

这次我和武总去日本的情况向各位领导汇报一下。东芝确实想和彩虹合作，对彩虹的评价相当高。和东谈的结果相当好，签订了两个协议书，一个是整机，一个是管子方面的技术援助，包括16:9, CDT。

除此之外又谈了荧光粉的合资和株洲的声表滤波器。东芝如要搞荧光粉合资必须扩大至节能灯用粉，再进一步节能灯项目。

# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

最后同旭硝子也谈了半天，提出来同我们合资搞玻璃项目。旭硝子准备在中国搞两家，同上海的已确定，另一家就准备同咸阳来搞。因中康暂时不明朗，所以我还未同意。

此次还同丸江、日绵等商社又换了意见，日本现在在通讯方面发展很快，也可以联络。

第三个就是郭，有给我们的任务。

总的来说外面的一些企业交给我们是一个机遇，但是对我们来说要把握两条：一不能影响大本营的利益；二是要进一步发，壮大彩虹。只有在这两个条件下才去同郭，有去谈。

郭里已明确要把中国电子器件公司交给彩虹，文件很快要下来。器件公司主要的产业在深圳，MAC占40%，中康是暗股，赛格日立也是暗股。郭里暂时明确的第二条是把器件公司的股份交给彩虹，第二步是把CEC的股份交给彩虹。除此之外还有一些贸易公司。

MAC共12.5亿元（股本全+债务） $\times 40\% = 5.12$ 亿元要交给彩虹。

操作方案：一是继续做彩管；



# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

二是和MAC厂房同东是合资搞TV;

三, MAC继续同南韩三星去谈, 卖给三星公司;

实际将MAC又交出去, 然后在大连同东是搞CTV和彩管。

第四就是省里提出的三个电视机厂的了。

一, 对省上条件, ①省里能否批我们的合资破壳厂, 产品结构一定要调整。在如意厂放一个项, 或促成康佳和如意的合资。燕河厂的问题最麻烦, 因是一个上市公司, 但实力还是强的。把燕河的外资交出去, 集中力量去搞CTV; 同时把东芝的技术拿进来。把中国物资器材公司的全国销售网并入进来, 专销彩虹的销售网。

海燕厂就让他破产算了, 实在不行去海燕搞400万的偏转厂。

各位领导是消化一下资料。5月3日下午至5月5日开两天的领导会, 力争在5月10日左右开全体中层干部会。

一是项目的运作;

二是完成这些运作的组织保证, 干部问题,

总部迁京, 中层干部; 省里但但班子, 南方的问题谈判问题。



# **Exhibit 116**



July 24, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, **Ann Chen**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: IRI-CRT-00008248; IRI-CRT-00008316-332; IRI-CRT-8340-8360; IRI-CRT-00008425-8432.

*(Digital or printed signature here above the line)*

Ann Chen

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**Ann Chen**

Project Number: BBLLP 2307 P0029

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New York, NY 10018  
212.581.8870

**Irigo Color Picture Tube General Factory**

**B01 Administrative Affairs**

**Minutes of General Factory  
Administrative Work Meeting for 1998**

From January 1998 to December 1998	Retention Period	Indefinite period
The volume has a total of 179 papers	File No.	

Fonds Number	Catalog number	Docket Number

# Minutes of Meeting

**Name of Meetings:** Administrative Work Meeting

**Time:** May 15, 1998 15:30 PM

**Venue:** Conference room on the sixth floor of Irico Hotel

**Chairman:** Wu Weiren

**Participants:** Xue Baoming, Wu Yingzhong, Ma Jinqun, Tao Kui, Xing Daoqin, Li Zuoting, Mu Haoping, Ma Shitai

**Attendance without voting rights:**

**Topics of the meeting:**

1. Report the user visits situation (Ma Jinqun)
2. Report the recent situation related to technology and quality (Wu Yingzhong)
3. Report the Audit Commissioner-related information (Mu Haoping)
4. Report the US trip-related situation (Ma Shitai)

**Recorded by:**



Factory Manager Ma: Recently (I) visited Furi Company and XOCECO. Tube supply to these factories has been cut off these few years. They keep our past problems in mind freshly, especially both parties lacking communication. Some issues we have solved, but they don't know. It seems that sales cannot be focusing on the sales only, instead sales should enhance [illegible] and the communications with quality control department. We need to go out, and invite other people in, inviting user's technical department to our factory for discussion.

We talked to the top leaders and the technical departments this time. The next step is to increase the supply to them. Many of their products are for export.

In addition, we went to Chunghwa. Factory A has been put into production and there are still B and C. The output of CDT alone reached 10 million. Black and white picture tube, 3 to 4 million. Color picture tubes, 10 million to 14 million. There is production line in Malaysia, and they have highly automatic mode. The factory is very clean. You don't need to change the clothes and shoes by using the visitor's path. ITC is semi-automatic adjustment. We should also consider automation. We have brought 15 electron guns back to the factory for testing.

The relationship between XOCECO and our factory is okay. (They) ordered 90,000 pieces from us last year and have ordered 380,000 pieces this year (several types). The production output of this year is 1 million. When we arrived there, they were negotiating about cooperation in terms of cellphone processing with Changhong (长虹).



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XOCECO added 3,000 pieces of 14" this month, and also added some of 21" and 25". It is not optimistic about [illegible]. But price cannot be changed. The quantity must be ensured. In these several months, Konka is our main user. Changhong demands 50,000 per month from May. [illegible] ordered 25".

Accounting records show there are 15,000 0.39 CDT, but in reality there are only more than 1,000. Guangli has submitted a report. Samsung also wants them. But we are a little worried about the quality. They are using Chunghwa [illegible]. Whether to continue the supplies in the next step, we need to consider and analyze whether the production of 0.39 CDT can be restored.

14" has basically reached the balance of production and sales. Sales of 21" increases. The production of 25" may be less than 100,000. Price reduction may be required if the goods cannot be sold. Konka proposed a price of 860. What we execute now is 960.

With regard of sales, recently we should take advantage of the low season to enhance the communication with our clients. We will go to Dalian on Sunday to join the commencement ceremony of Toshiba.

We need to pay visits to any potential users. No matter how few is the quantity, we still need to consider it. Many a little makes a mickle. The market situation is relatively severe, and we must do everything possible to increase sales. For the users having no payment ability (cash), we need to keep [illegible]. Also, sales should be expanded by sales through the operation company.

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The sales volume by the end of the month is 130,000 and in June is 100,000.

Director Wu (吴总): Being able to maintain the price of 25" at RMB900 is not bad. If unable, we shall decrease the price in advance so as to sell more.

Director Wu (武总): The quality of April is stable. There are a few problems.

From May 20 to 22, Changhong will hold a meeting in Mian Yang and request all parts factories to attend. During the meeting, the product quality of each factory will be announced, and factories are required to sign a technology, quality and compensation agreement. In addition, [illegible] is invited there to certify the color picture tubes. The 25" of our factory has not gone through certification. So we can invite [illegible] come to our factory to do spot checking on color picture tubes. For technology and quality, agreements will be entered into by these two departments. The quality reward and punishment agreement will not be entered into at present, but we need to get prepared. If other peers sign such agreement, we need to do so as well (signing by sales companies). We need to designate team to Changhong to participate in the meeting. We'll decide on who will go.

Factory Manager Ma: I recommend Director Wu (武总) go to participate in the meeting.



Director Wu (武总): The second issue is that Changhong is our main client and they reported two problems. The first one is the purity of color. We adjust and test it in a reverse way. The current problems can be solved but not thoroughly. It is proposed to restore the AD work process. The proposal has been reported to the Economic and Legal department (the investment is about RMB8 million). My advice is to make the decision soon and get it done as quick as possible (there are space available). And mainly because the spending is reasonable.

Director Wu (吴总): Factory Manager Ma please follow through the implementation of the proposal. [illegible].

Director Wu (武总): Hold a meeting to unify the thoughts. If we want to guarantee sales, we need to solve the problems raised by the users. It will take four months to complete the matter. The second problem, UFO (unidentified flying objects). When you open the machine, there are little spot glittering and it will disappear after 3 or 5 seconds. We have solved it basically by adjusting the process. Shanghai Novel has such a problem too and they didn't solve the problem well. Changhong has removed their products. With regard to our tubes, Changhong thinks such problem still exists. But the overall situation is better. Spot glittering for 1 second exist in some individual tubes and the glittering may exist for 3 to 4 seconds if the problem is serious. Graphite and a bit of phosphor were found while solving the problem. We need to send someone to Changhong to take a look. I think we didn't communicate enough with the users about the information. We can pre-select the tubes in our factory before selling to Changhong. The second is black spot. I feel for the interest of the general factory, we should check them thoroughly and make the use of them as much as possible.

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Director Wu (吴总): Check all of them thoroughly.

Factory Manager Xing: The main issue of Glass is that 50 tubes were exploded during the evening shift. Morning shift is better. Originally, we thought about recoding the batch number of stained sand production. The main problem is that dust prevention cannot be solved.

Director Wu (武总): We should take the use of 21" as much as possible. General factory production department and assessment department need to take this special factor into consideration.

Factory Manager Xing: For the glass, we can offer more profit to Factory 2.

Director Wu (武总): Fourthly, the issue of 14" and 0.29 export to Philips. Xiao Wei thinks that we should choose one to sell to Philips. In this way, the remaining one will be hard to sell. The sample tube has been sent. Taiwan and Japan also did and the sample tubes are also qualified.

Factory Manager Ma: We have to do this (2000 pieces). They have already bought DY.

Director Wu (武总): Import and Export (company) hopes to do this. Factory One has to arrange two shifts. The risk they have to bear is high. There are two tubes with low air pressure not up to the standards and we cannot do the test We need to think about this and reject it if it doesn't work.



Factory Manager Ma: There is no problem with sample tubes. The main problem is price.

Director Wu (武总): About poor conduction of Factory One [illegible], the main issue is that the device introduced from Hitachi has been discarded 2 years ago. The problem only appeared in the initial stage after we introduced device and it didn't appear again. The Toshiba device has a high current in a short period of time. We transformed to Toshiba device. But recently it appeared again. I think the testing condition should not be changed. It is requested to restore to the device introduced from Hitachi (20,000 times, 30,000 times), which has a small current and high frequency. RMB50,000 is planned for this device.

It actually is a large factory after we centralized management of electron gun. The cadres worked very hard. But currently there are still many problems. The technology and quality personnel are insufficient in the management level. After the routine meeting, it has been improved but not too much. It is not easy to have no big issue during the movement of electron gun (factory). Currently there are still problems with electron gun. In terms of the quality control, we need to figure out a way for assessment. It is suggested that one of the Factory Managers can be chosen from technical staff. Who can be the one? That one can be chosen either from electron gun factory or from technical center. If we choose one who wants to leave the technical center as the candidate, then he can work as an assistant manager from the beginning. The candidate can also be chosen from electron gun factory.



Director Ma: After [illegible] left, there is no one in the technology department. Originally, we wanted Liu Wendi to take the position but he himself wanted to leave. Is it possible to move him to electron gun (factory) because he reported that he wanted to go to the electron gun (factory).

Factory Manager Ma: [illegible] has a good influence on Liu Wendi. I think we can prompt him to be the assistant first.

Director Wu (武总): I agree to prompt Liu Wendi.

Director Wu (吴总): If everyone agrees, that will be OK. We need to talk to Factory Manager Ma and Director Wu (武总).

Director Wu (武总): Another issue is about the 700 line patents. Zhao Xia and Xiao Peng went to Jiao Tong University for the cooperation on 25". 21" is developed by ourselves and is not a joint project. They submitted the patent application and our factory approved. Now they want to leave. Jiao Tong University raised concerns on it and requested for a joint application.

Director Ma: The originally approved patent applications were returned because the materials are not completed. So far, the materials have not been completed yet. Jiao Tong University proposed joint application (Mainly worry about that Zhao Xia will submit the application first in Shenzhen) and I have approved it and stamped it with company seal.

Secretary Xue, Factory Manager Ma, we should follow up after submitting the application

Director Wu (武总): The projection lens ordered from the U.S has arrived. The effect [illegible].



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Director Ma: Next week, all the managers will take a look at it together.

Director Wu (武总): Details will not be reported. We will determine after seeing it. It mainly involves in the direction of next step.

About the 700 line tube, mold has been ordered. Due to our [illegible], [illegible] ordered from SEG first.

Director Ma: From April 22 to May 2, the situation of USPL's visit. They introduced design, quality, market and other issues. Domestic factories are all manual workshops, but American factories are all automated, computer-controlled, and [we] powerful. But four [illegible] machine are all two meters to three meters. The quantity is big at one time.

I explained our requirements (3" lens). We have gone through all the parameters. The effect, firstly, they have the capability to do it. Secondly, price and quantity. Now their price is RMB150/unit. Mold fee needs to be shared. Mold is required for order of over 1,000 sets, the cost can be amortized or can be paid in one time. For order of only hundreds of sets, no payment verification is required, however the unit price is higher. We order 3 sets first for trial use, which will be delivered in July. Because their leader who is in charge of technology is not here, the contract will not be signed until he returns.



We discussed the market issues with them as well. Firstly, he didn't know much about the China market, and he hopes to visit China soon in 1998. Secondly, he is interested in the Chinese market. Thirdly, we can start from the cooperation on 3" lens. I already faxed to them to invite them to come here.

The cheapest projector is USD900 (46"). There are lots on the market priced at more than 1,000 or more than 2,000.

Factory Manager Ma: Furi 52", RMB28,000-RMB29,000.

Director Ma: Furi (product) has good quality. The tube is from Hitachi-America. USPL Company thinks the development of LCD and PDP has a great effect on projector. The sales volume is slowing down in recent years.

Director Mu: From April 28 to May 4. HR department holds a training class. About the situation of the audit commissioner.

There are 21 audit commissioners in total. This time, the state puts a high value on implementing this management method. In fact, it is the board of supervisors assigned by the State Council to enterprises. In 1994, the state issued regulations, but they were not implemented, and now the state is determined to implement them.



Their responsibilities include the four aspects: 1. audit the financial status of the enterprises 2. Manage the loss of state assets 3. Audit the risk management of the enterprises 4. Evaluation Leadership Team

Method: check balance book, [illegible] does not involve the sales.

Key of the audit: group companies, main companies, overseas companies  
Before the audit commissioners arrive: The enterprise shall prepare and submit the accounting vouchers and materials (they arrive on July 25th) (according to western audit standards). Departments involved are financial, sales, administrative office and technology, which is complex.

Preliminary arrangement: Have a meeting on next Wednesday and Thursday to make sure we submit the materials before June 30<sup>th</sup>. The Group, the General Factory, Devices Company (Display Devices), Inner Mongolia (TV factory) are requested to submit all the materials. Caizhu, No.1 Radio Factory of Xi'an, [illegible], Supplementary business company [illegible] are requested to submit main materials. We are going to submit 10 sets of materials.

Factory Manager Xing: Production arrangement of 15" CDT. The related department repeatedly advanced the planned arrangement, the loss should be controlled under 100 million. We set up a preliminary plan.



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June, 22,000. July, 18,000. August, 18,000. [illegible], loss of more than 103,750,000 for the whole year.

If the quantity can go up with a better yield rate, it may lose less.

Adjustments can be made only after the plan is released. Taking quality control, adding investment control (shadow mask, electron gun and etc.) and reversed screen control.

About the supporting components, it has been reported according to the condition of the annual plan. After the glass bulb and two production line [illegible]. We began to produce 21" screen. 135,000 per production line has reached in September. 15" screen has not been considered yet [illegible]. [illegible] Cone 21" 250,000/line to ensure self-supply. [illegible]. 25" cone target [illegible] 190,000/line, realizing complete self-supply. 15" cone will be determined later.

[illegible]: In May, 220,000 21" were sold. [illegible]. It will reach 100% self-supply in November and we will try to push the date forward. 0 25" reached 40,000 in May and 80,000 in August. 20% of 25" were purchased from externals. The general management office will calculate the deficiency in the late every month and material company is responsible for the purchase.

Shadow mask: Except for the guarantee for 14", all the rest are used for producing 21". Generating a mass production report.

Electron gun: 120,000 25" [illegible] in July. 15" CDT for certification.

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SR [illegible] needs renovation, processed to produce.

Renovation of the furnace for screen: transformation Refractory material on May 11 and 17. Tao proposed [illegible] May 20 during transformation. Another meeting will be held next week to discuss arrangement.

Natural gas. From last week, [illegible] begins to switch the gun (glass). The actual usage is more accurate than the test. Next week, 202 furnace will switch for use. The full switch will be done in June. The remaining will be switched after cooling down.

Director Mu: The cost is a little bit higher by using natural gas.

Factory Manager Xing: Only after the quantity goes up, we can tell whether it is stable.

Secretary Xue: Don't post information we shouldn't post.

Chairman Li: The approval procedures for the third phase of the Rainbow Residential District Project have been completed. [illegible] takes 6 units. In principle, 78 m<sup>2</sup> two rooms face the south, and one room faces the north. We can also build some 3-bedroom units of 78 m<sup>2</sup>. 88 m<sup>2</sup> is the plan and it has been improved in phase 1 and 2. We take the samples of recent years from the province as the reference and will not ask for further opinion from lower level.

Secretary Xue: That is OK to make a decision, no need to ask for opinions.





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Li Zuoting: 1,000 units, 3:7 (88, 78)

Director Wu (吴总): 5.5 (78 m<sup>2</sup>: 88 m<sup>2</sup>)

Secretary Tao: 3:7

Li Zuoting: Separate queues.

Director Wu (吴总): Build more units with big square footage.

Secretary Tao: Not [illegible] line up.

Director Ma: Put the room of 88 m<sup>2</sup> together with 78 m<sup>2</sup> on the waiting list and distribute them together [illegible].

Secretary Xue: 4:6. Some units should be saved for the technology personnel. Some units should be saved for introduced experts and some units should be saved for future (One building).

Secretary Tao: We need to analyze the personnel situation.

Director Wu (吴总): There are a lot of personnel changes. You can discuss this issue, so there is no need to discuss it here.

Director Wu (武总): That will be OK as long as you can come up with one proposal.

Li Zuoting: [illegible] HR can hold a meeting and comes up with a proposal held by the [illegible].



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Director Wu (吴总): 2,000,000 bonus per year [illegible]. Original and current [illegible] are not needed. Currently we divide and send out the 2 million bonuses among people, this is not [illegible].

[illegible]. Don't divide and send out the 2 million, if we can use it up, use it up, if we cannot use it up, leave it there.

Secretary Tao: in order to change the assessment standards, it still needs to be used.

Secretary Xue: The technology is okay; the amount is a bit high for management

Director Wu (吴总): Delete management.

Director Wu (武总): Factory Manager Xing: The standards can be adjusted.

Factory Manager Xing: Management bonus should focus more on individuals, and less focus on groups.

Director Wu (武总): Reduce categories.

Director Wu (吴总): Should keep Advanced Worker and Excellent Management Team category.

Secretary Tao: It has been upside down several times, we can discuss this after the plan has been made.

Director Wu (吴总): Regarding the situation of Xi'an No.1 Radio Factory, we should ask them to have a worker congress to decide. Whether to sell the land or not. If not sell the land, some of the employees will be laid off. During the period, output of 20,000 will be arranged from 20 of this month to July.



It depends on the situation.

The Inner Mongolia factory owes 10 million loans and 100 million net assets. It has than 30,000 sets of TVs and among them and 20,000 sets are sellable, and more than 10,000 sets are not good. I told Niu Xinan to sell the 20,000 sets and get loans again, get as much loans as possible. Production can't be stopped, and the group will cover the wage. The main problem now is the loan, but I think the credit loan risk of the Group is also very high. We should give them such kind of pressure, and it is not bad at all.

Recently, the situation of the whole country is not good and the arrangement of the laid off employees is a big issue. We should do a good job of switching positions, and don't let the people leave the factory to the society.

Due to the slowness of the economy development and increasement of the unemployed population, the security becomes poor. The police department of our factory did a good job in the past and we should continue pay attention to this work and do a good job.

With regards to the Audit Commissioners issue, a board meeting will be held on 27 and 28 of this month to mainly discuss the things about overseas company Secretary Xue leads a team to clean it up and a conclusion has been reached basically. Xiao Mu please make a preparation on that so we can form a resolution on the meeting.



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With regard to the issue of Institution No.6, Secretary Xue and I went to the Ministry and Minister. Liu said that it is impossible for Institution No. 6 to leave Irico. (Although Institution No. 6 didn't say so but their behaviors show that they want to be separated from Irico).

As for the sales, if it is good in July and August, this year will be in good condition. If 25" cannot hold 900, then the price must come down. If the price has to be reduced, we'd better reduce it first. Factory Manager Ma is the one to make the decision. Don't report it. Take selling out the tubes as a principal.

Director Wu (武总): Economy and Legal Department. The cost of 25" renovation is high. It has not been determined when to begin the renovation. 14" can reduce the price to boost the sale.

Director Wu (吴总): We can cut the price of 14". How about cut it to 290.

Factory Manager Xing: 14" is mainly for overseas market. It is okay if reducing the price can increase our market share.

Director Xing: Now [illegible].

Director Wu (吴总): exchange 1 for 2 or exchange 1 for 1.2 [illegible]. It is estimated [illegible].

# Minutes of Meeting

**Meeting name:** Administrative Work Meeting

**Time:** June 4, 1998 8:00AM

**Venue:** Meeting room on the sixth floor in Hotel

**Chairman:** Wu Weiren

**Participants:** Xue Chengming, Wu Yingzhong, Ma Jinquan, Tao Kui, Xing Daoqin, Li Zuoting, Mu Haoping, Ma Shitai

**Attendance without voting rights:**

**Topics of the meeting:**

1. Report on Vice Governor Gong's visit to the factory (Ma Jinquan)
2. Report the recent production situation and natural gas investigation situation (Xing Daoqin)
3. Report the situation of employee turnover rate (Ma Jinquan)
4. Discuss the method to retain the talents
5. Report on issues related to Xi'an No.1 Radio Factory and Inner Mongolia TV Factory (Tao Kui)
6. Report on Attending Guangzhou Exhibition (multimedia) (Ma Shitai)

**Recorded by:** [illegible]



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Factory Manager Ma:

The day before yesterday, we received the notice from the government of the province at around 3pm, and we made the preparation accordingly. Yesterday, we made a report on how we focus on the management and the development of new products under the severe situation. The development may not be able to speed up this year, but it will speed up the next year and the year after. Although the price decreased a lot, it got better in April, and we have profit in May. The provincial leaders are a little reassured after hearing our situation. In addition, the provincial leaders are very concerned about the problem about the employee layoffs. Our factory currently has no problems. Our factory solves the employee position issue by diversion, increasing the production and doesn't add the burden to the society.

The main purpose for provincial leaders' visit this time is to learn the production and operation situation. They are relieved to hear that the situation in our factory has improved.

Secretary Tao:

The provincial leaders were very worried after they saw the statement from January to March but they became reassured after hearing that the situation kept stable and became better in April.

Director Wu (吴总):

The development speed of our factory in this year is 3%, mainly affected by CDT.



It decreased from 550,000/year to 100,000/year. We should be practical and realistic and not be bound to pursue the fast development speed.

Director Mu:

The formally reported statement of our factory is RMB2 million to 3 million. No negative numbers were reported, which has a great influence on the general factory and there will be problems with the bank loans.

Director Wu (吴总):

We can definitely reach the goal of RMB105 million this year and it is definitely not a fake number. Things got better in May, earlier than I expected in October. We should do what we can do in this year and follow our original goal to do a good work. We won't pursue the development speed blindly if it is unachievable.

Now there are not many companies nationwide in a good position as we are now, we should be confident. .



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Secretary Xue and Li Zuoting:

We should be practical and realistic. First, we need to solve the problem of food.

Secretary Tao:

For the Poverty Alleviation Fund, the provincial leaders said that it is related to the salary, which means if your salary is low then you are not required to donate to the fund. I don't know whether the provincial leaders think we give too much salary.

Factory Manager Xing:

For the transformation of 14", it was originally set in July with a month to do the transformation. If the transformation is postponed now, the production should be rearranged. After the sales company and the import and export company discussed together, 170,000/per month. Currently the inventory is 400,000. 200,000 leftovers from last year, 1,300,000 (the later 7 months) deduct the 200,000. Arranged as 1,100,000.

After the plan adjustment, there is not enough screen to use. [illegible] discuss with Director Mu. We weigh the advantages and disadvantages. 14"





Now we have 400,000 inventory and 120,000 that need re-inspection. We can take the weekends to do the re-inspection gradually. We request the sales company to try their best sell the previous produced products first.

The second problem is about the production of bare tube. Originally it was managed by each production unit itself and the upper level will not take care of this. But now it has a problem. The self-production of each unit brings problems to the unified arrangement of production of the tube factory and the material supply. It is not beneficial to the inventory management and product coordination. Therefore, we are thinking about letting each unit propose their bare tube plan and report it to the general management office and let the general management office to have a unified arrangement. Because previously we didn't do it in this way, we would like to propose it for discussion by everyone.

Director Wu (武总):

We cannot only produce bare tube and we should pay attention to the specific situation. There should be basic management to support. If a problem occurs, we should be able to find out the time and find out the person.

Factory Manager Xing:

If there is no problem, we can do it in this way.



Director Wu (武总):

I always feel that the quality of our products is always “on the edge”. There are some problems with the tubes provided to Konka. They have a special report .

The product problems involve in the product standards. Our product standards need to satisfy the user’s requirements. We need to attach great importance to the user’s information. Otherwise, it will be difficult for us to make the request when the others do not want our products. Electron gun [illegible].

Secretary Xue:

In our factory, the quality control department should dare to say the truth.

Factory Manager Xing:

For the investigation of natural gas supply situation, we mainly [illegible] solve the supply [illegible], stability and equipment situation. Talk about our factory’s requirements for the natural gas supply. We went there on 31<sup>st</sup> and had a talk on the 1<sup>st</sup>, especially about our requirements. Changqing oilfield (长庆油田) was explored since 1995. It has 43 wells and has reserved 0.3 billion cubic.



The pressure and the situation of the quality are basically matching with each other. [illegible] 300 million m<sup>3</sup>/year (the output volume). According to international standards, it is to guaranteed to meet the life use requirement for 30 years and to meet the production use requirement for 20 years. They can guarantee to meet the requirements. With regard to the pressure, it is 400 kilograms for underground and 240 kilograms for Wellhead static pressure. By using the initial pressure, the gas can be sent. Purification plant, the first station can reach 45kg. The production of the first station belongs to Shaanxi, but the device leasing [illegible] company. [illegible] pressure 32kg. Tong Chuan station 30kg. The pressure loss is not so much in the current situation that the using amount is not so large. If the using amount is large and less than 8kg, sending to Xianyang 5kg. By that time, they can be pressurized as needed.

It is expected to pressurize after 15 years. For the quality of the natural gas, the quality of each part is the same because they are connecting to each other. There are 95% or more methane. Currently, calorific value is 8 kcal with the lowest as 7.9 kcal. When reaches 700,000 cubic meters of consumption, a large purification plant can be built. At this time, the calorific value will no longer escalate to 8.2 kcal. Thus, the experts thought there is no problem with the calorific value.

With regard to the internal management, we visited pump station, the first station of purification plant first station etc. The devices we saw are clean, and the environment is also very clean. The system can be checked on computer



The duty log [illegible] is completed in regular script. We feel that the management is strict. After the visiting, we feel that the supply will have no problem. But the equipment for long distance delivery. For instance, pipeline damage caused by natural phenomena such as landslides. Will it affect customer use during emergency repairing? Currently they think they can use the side pipeline method to reduce the time of impact on customer use.

Factory Manager Ma:

[illegible] using natural gas can reduce the costs, but the problem is that whether it is reliable or not.

Director Wu (吴总):

Just saying whether it is reliable or not.

Factory Manager Xing:

Judging from the current situation, Xianyang has 4 tanks and we have 2 tanks, which can be used as security (but not for normal use). From the perspective of external gas settlement, both stability and quality can be satisfied. We have [illegible].



There have been security facility. The time is a little more than 48 hours. Now Beijing does not use much. Our factory is the biggest user in Xianyang and there are many uncertainties, so it is hard to say. But after this visit, we have more confidence than before.

Factory Manager Ma:

After using the glass, it feels cut in half. We have let the Economy and Legal department to make further investigation to design the use of natural gas for our factory. To cancel the original unreasonable projects. 103 million will be the normal use.

For the production of Factory One in the next half year, renovation project preparations are on schedule, with. the cost of 14" falling and market picking up. The renovation work was postponed and suspended. In the second half of the year, two production lines will be used for production.

Director Wu (吴总):

Get the design right first, and that's it. Factory Manager Ma please talk about the HR related issue.

Factory Manager Ma:



With regard to the fact that some people from technology and equipment departments want to leave the factory, we have granted approvals to some of them. As for the remaining ones, we are trying to keep them. Daoqing and I are talking to them, trying to persuade them from personal, Irico and moral point of views, but they still wanted to go.

Yesterday the provincial governor also said we should retain the talents, but currently it seems like the attempt to persuade failed now. They would jump into it even if it was a trap. In such case, we either let them go or they would just go without taking anything. After we let them go, there may still be more people who want to leave.

Director Wu (武总):

The competitions between or among enterprises are the competitions for talents.

Factory Manager Ma:

Hisense has 49 employees holding doctoral degrees, whose annual salary is RMB100,000, and each of them are provided with a residence of 120 m<sup>2</sup>. Regarding the compensation to technical talents, heavy reward should and must be given to those who make outstanding contributions to their work. As long as one can really solve problem, it is okay to award this kind of person RMB50,000–RMB100,000 a year. We should emancipate our minds.



Director Wu (武总):

We should really realize the importance of talents and should change our ideas. PDP wants to have two people with doctoral degrees but cannot get them. The future is the competition for talents, so talents should be respected and cherished.

Second, we should retain outstanding talents. We can cultivate new people after we have “seeds”. For some [illegible] positions that [illegible], we shouldn’t require too [illegible], but their morality should be good, and they should focus on making contributions to Irico. We should employ persons of seeds, for equipment or technologies. And then we can retain people by means of rewards, provision of residence, etc. If all of these measures taken fail to help us retain people, let them go. We should follow rules and provisions, don’t set obstacles intentionally. [illegible] backbones in the field of [illegible] all want to go, we need to study the causes. And no one can take over their responsibilities. We can connect Irico’s history with the present, and we should retain the seeds.

Third, we will restate it again, that we should retain those “seeds” if we can, and let the people go if they cannot be retained. We can attract talents only if we have our own good business.



Director Wu (吴总):

Ma Shitai, Director Ma, please share your opinion.

Chairman Li:

The current issue is about pays. Persuasion only won't do. I agree on what Director Wu said. One more thing, the real backbones should have better pay. Our residences of 88m<sup>2</sup> [illegible] average [illegible] among intellectuals [illegible]. We should pay well to those people who make outstanding contributions to their work and shouldn't treat all people equally or try to balance the pays in a wide range. Instead, we should focus on contributions, and give rewards that make the other people envious. Don't consider it from the welfare perspective, but from the perspective of the profits that can be brought by the input. The investment of the talents is actually the input into enterprise's development.

Factory Manager Ma:

Give reward to those who really make contributions. [illegible] agree.

Director Wu (吴总): How to give rewards of RMB2 million?





[illegible]

Director Wu (武总):

We should award according to achievements. This point is true. It takes some time for an outcome to come to fruition. We should have something to retain employees holding master degree and doctoral degree, and such difference should be recognized. We shouldn't wait for fruition before we award to retain people. It is right that we should award our employees for their achievements. But without attractive conditions, we cannot retain well-educated people. Few graduates of Jiaotong University submit resume to our factory. We employed 5 postgraduates last year and now 3 people have left. 5 out of 10 graduates have left.

Chairman Li:

[illegible], upon which I agree, but they can't be retained at once. Incentives should be provided. There should be a live assessment.

Ma Shitai:

I agree on the above opinions of the leaders. For the people who want to go away, there are various causes, such as pays, environment, lack of confidence on our company, etc. [Illegible] has left and [illegible] also wants to go.



According to the situation now, we should do a good job on the reasonable use of intellectuals. People should be promoted if they are suitable for management positions, but the use should be reasonable. [illegible] returned to the technology center and became the vice director to be in charge of technology, it's not very reasonable.

Director Wu (吴总): it is an issue of internal division of responsibilities. We hire people to work.

Director Wu (武总):

[illegible] holders of doctoral degrees.

Director Wu (吴总):

How to retain people. China is all about money right now. If we always do like this, we'll be finished. The weak technology of China is caused by the problem with education. It's a big question for Irico about how to handle it.

In Xianyang, if we hire 10 holders of doctoral degrees and put them in each department, it is possible that the technical staff in each unit still look down on those doctors, so those doctors are still going to quit even if they are hired.



My idea is that the people who want to leave are determined to go away. Whatever Factory Manager Ma does will not change the fact. Now it looks like the reason is definitely not the pay. Ma Shitai and Director Wu should make policies to encourage technicians. For example, we can award Yang Ming for developing the lens of, to set the example. We should raise pay for outstanding talents. We should come up with some measures, and start to implement. We don't need many, and don't raise compensation for all, but on individual approval basis. Can we build some units with bigger square meters? How about a residence of 120m<sup>2</sup>?

Chairman Li: We can also buy units from outside as the reward.

Secretary Xue:

Technicians' minds are very complicated and the situation is different. They don't necessarily want to move to the units that we buy from outside. We can build some big units as the rewards. Some technicians don't say their thoughts. We should think about what to do if those people leave. The middle-level management should pay attention to the technicians. In the past, it was planned economy, we focused more on administration and didn't pay enough attention to[ technicians. In particular, the technicians working on production lines also have personal development requirements. We should care about them and promote those people who should be promoted.

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Director Wu (吴总):

That is in the charge of Ma Shitai. [illegible]. In the past administrators' career development was fast, while technicians' career development was slow. How to speed up the career development of technicians, the real difference between chief or deputy chief engineer and administrative staff on salary is certainly great. If raise the salary for all , the base will be too big. We should research on how to improve the bonus for technicians. It is okay to give Yang Ming the reward right away to show the effect of appreciation talents. Technicians in Institution No. 6 used to have very high pays, but now the institution is insolvent.

Our pay can be improved, but shouldn't be too high. It can be high for some individuals but it should be on average for most people. Education level can be considered as one element, but the achievements should also be counted in. One side is the price, the other side is the achievement, we should take both sides into consideration. We should learn about the conditions from technicians and we can discuss it again when we have time. Now let some people go if they want to do that. The longer the time is, the less people can do the work.



Ma Shitai:

700 production line. Zhao Xia has left and Wen Peng has also left.

Director Wu (吴总):

People from the two units left the company has something to do with their managers.

Factory Manager Ma:

On one hand, we can reward the achievements. On the other hand, we can tender for projects. CDT project we plan to call for tenders.

Chief Wu:

Secretary Tao:

Xi'an No.1 Radio Factory. Two meetings were held. There is no problem with the cadres and the there is also no problem with the Union President. It looks stable. On the 25<sup>th</sup>, Clinton will visit Xi'an and Bei Lin District hopes that Xi'an No.1 Radio Factory will not hold workers' congress. I think it depends. If we are confident to control the situation, the meeting can be held; if not, the meeting can be held after the 25<sup>th</sup>.

Director Wu (吴总): Let's have the meeting after the 25<sup>th</sup>.



I will head to Inner Mongolia today. Discuss with the leadership first and then have a meeting with the middle level managers. We are going to contact the government, including loans. TV, CDT, we will first get the factory going.

Director Wu (吴总):

We do not advance funds.

Secretary Tao:

[Hisense] To keep the Inner Mongolia factory going, we should get some orders. We should keep the key staff. [Illegible]. In this stage, we are doing the preparation work for the producing of TV sets. We can keep the factory going if we have orders for 10,000 sets per month.

How to deal with Hisense?

Director Wu (吴总):

It will take one year for the assessment.

[illegible]:

Consider cooperation after November.

Factory Manager Ma:



Hisense mainly wants to separate the bad assets from the good assets, and to take out 1/2 of the good asset, and then find 5 enterprises to set up a joint venture.

Director Wu (吴总):

I feel that it is difficult to operate. For the two TV set factories, for the next step, the sales can be more than RMB10 million per year. So we should do it by ourselves. Our Xi'an No.1 Radio Factory is the main sales channel and Inner Mongolia Factory is the base for assembling TVs. There are more than 1 million [illegible] in the year of 2000, and it is mainly for sales. [illegible] will be in 2 years. Currently we are using their sales channel. Xi'an No.1 Radio factory is keeping on producing, Inner Mongolia will stop production in August. We should give the employees an explanation. We should be considerate. With regard to the Inner Mongolia Factory, we should tell Niu Xinan to unite the local key workers and find 1-2 persons to be the deputy chief. We will try to transfer the Inner Mongolia Factory next year if it possible and appoint their people for replacement, but the transfer cannot be too urgent, which needs calculation.  
Secretary Tao:

If replacement is required, only two years can be accepted. Let's see and make decision later.

Ma Shitai:

We will talk about participating in exhibition in Guangzhou. ~~Report on it.~~



It was a multimedia display exhibition. [illegible] receive [illegible]. 29", 32", 38" (700) multimedia project. They believed that the minimum size was 29". Niu Shao Mei also went there and took some information for translation after the return, for technicians to learn from it. The vice president of Thomson discussed several things with us together. First, 14" export cooperation. That is, our color picture tubes to be labeled with their brands for selling to Europe. Second, 29" products, they can produce and label with our brand, which means that they produce the products and label with our brand.

Director Wu (吴总):

I approve.

Director Ma:

Multimedia, electron gun and deflection coil, [illegible] can provide us [illegible]. Third, can transfer large screen technology; fourth, invite Irico people to their factory in European for visit. It's also hoped that they can pay a visit to our factory.





Director Wu (吴总):

We can take a look at their production of multimedia and can invite them to come here. After the visit, we will have a good understanding. Directors Ma and Wu can discuss on that and we can pay the visit in August or September. External technology information is very important. We must keep close contact with peers. We can bring the technical staff with us for the visit.

Secretary Tao:

Dongguan is negotiating with Jiaotong University for cooperation. We can talk to Jiaotong University. Jiaotong University is developing 29" and we can use it. Director Ma and Director Wu please have a discussion on the Dongguan issue and notify the other party. After power [illegible] stopped, we are not considering supply the heat to external

# Administrative Work Meeting

Time: December 1, 14:00

Venue: Conference room on the sixth floor of Irico Hotel

Topics:

1. PDP equipment ordering (Wu Yingzhong)
2. Sales (Ma Jinquan)
3. Housing reform (Tao Kui, Li Zuoting)
4. Production (Xing Daoqin)
5. Projection TV progress (Ma Shitai)
6. Report on the technical renovations and technical measures (Xu Quancheng of the Legal Division)
7. Report on the forecast of achievements of 1999 (Liu Zhenzhu of the Finance Division)

Chairman: Wu Weiren.

Participants: Xue Baoming, Wu Yingzhong, Ma Jinquan, Tao Kui, Xing Daoqin, Li Zuoting, Mu Haoping, Ma Shitai

Attendance without voting rights: Liu Zhenzhu, Xu Quancheng, Zhang Fengzhen

Recorded by: Niu Wenjun

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Wu Yingzhong: Report on PDP equipment ordering.

PDP production line equipment of about RMB100 million was introduced. The design was based on 32,000 sets. The equipment fee was USD14 million. RMB1,900 million is outstanding. there will be 100,000 units global production of this year.

Guo Cailin:

The total expense of [illegible] equipment and Retina printer is USD8 million. Sintering furnace, Wind platform equipment, slurry equipment, water purifier, testing equipment, [illegible] cleaning [illegible] drying equipment.

Wu Yingzhong:

Currently there are 3 test lines, and in fact there are 3 labs, so that every purchased single machine is for test only. By this way, the equipment expense is about USD5 million.

Mu Haoping:

The labs only cover 400 pieces. The key issue is how sure we are on this, and the investment is the next to it.

Guo Cailin; Wu Yingzhong:

The construction period needs half a year.

Tao Kui:

In terms of volume, it's a great gap from 400 to 5,000.



If there is no big difference from technical perspective, the cost will certainly be lower with a bigger quantity. If it's sure and the funds is affordable [illegible], I'll be in favor of increasing the quantity and get everything in place in one step.

Ma Jinquan:

If you want to be more stable, do it in the laboratory first, test 400 to 500 pieces to master the technology. Then do 5,000 to 10,000 in the second step.

Xue Baoming:

I agree on the opinions of Factory Manager Ma. Master the technologies first and improve the quality, and to lay a foundation first.

Wu Weiren:

As for equipment, we should buy good equipment. We can do the things in two steps. Firstly, lay a foundation, and then increase the scale of production.

Ma Jinquan: Report on the sales of tubes

1. Industry meeting, once every month. In the November meeting, it was agreed to discuss the price issue with Changhong again. It has been analyzed that the price of imported 21" is RMB620, while the Changhong price is RMB580-590. (RMB895). Changhong's opinion is to agree on the price increase, but the tube factories should sell 95% of their tubes to Changhong. The shipments to Changhong in January next year will be carried out according to the shipments in November and December.



Tao Kui: [illegible] house reform

Li [illegible]:

The reform will be completed at the end of September according to the city government requirements. The factory has reported to the city government, 4,688 units. Transforming, reported some families' special conditions, first floor, motorcycle accident.

Giving double subsidies

20% can be added and will be given with salaries.

8 buildings in new district for the families with difficulties, the square meters of the unit will increase by 2 m<sup>2</sup>. If it can be done by communicating with the city government, we will do it. If not, just give it up

The houses of some managers and staff are participating in the house reform according to their registered residence's location (Director Wu's house is considered as borrowed house and is not involved in the local house reform; for the other people's houses, a part of the money will be refunded)

Money should be paid out of pocket for the excess of allowable unit square meters.

Tao Kui:

1. Report the issue of Xi'an No.1 Radio Factory purchasing 10[illegible] mu of land. The title of 15 mu of land has been held by People's Insurance Company of China.

Ultimately the land cannot be sold. [illegible] the employees are making trouble on this. We need to make some compensation to the other party for the losses if we do not sell the land.



2. Report on the production issues of Xi'an No.1 Radio Factory. Last week, Niu Xinan started working there as the deputy general manager of the Irico CPT general factory. The leading group rescinded.

Xing Daoqin:

Report on the production of 14" color picture tubes, the production of 25" deflection coil, the production of 15" CDT deflection (coil) and the production and use of natural gas.

Wu YingZhong:

1. Report on the product quality, No.1 factory had blue screen issue for a while. Now the situation is basically under control.

2. It's said that there are some problems with 25" spring leaves. Now the problems are being corrected.

Ma Shitai:

1. Report on the progress of projection TV development
2. Place of production on the projection machine package: Xianyang, Shaanxi, [illegible] both are okay.
3. Report on the progress of cooperation on projector development with Hu County

Wu Yingzhong:

1. The cooperation with Hu County continues, we should stick to them



2. The cooperation on projector with Chengdian shall also be promoted

Xu Quancheng:

Report on the technical renovations and technical measures

158 technical renovations and technical measures, and the amount of funds is RMB2,126.968 billion. After the review and approval, the implementations of 54 technical renovations and technical measures are approved, and the amount of funds is RMB17,852,100.

As for automation of coating, we will begin with one line. First to work on the feasibility of semi-automatization of compression molding, then do further demonstration. The technical renovations with large inputs can follow international standards.

Liu Zhenzhu:

Report on the forecast of achievements of next year

Based on 7.60 million pieces, current price : 14", RMB200

21", RMB400; 25", RMB500 (all excluding tax)

14", 2.40 million pieces, RMB220-260, RMB256-300

21", 3.18 million pieces, RMB427-550

15", 686,000 pieces, RMB470-555

Measurement result:

Sales revenue: RMB3.9 billion

15" CDT loss RMB55 million

Glass RMB50 million



Electron guns: more than RMB16 million

Phosphors: RMB17.20 million

Power plant: RMB27.00 million

Stencil factory: RMB9.48 million

Machinery factory: RMB3.36 million

Tool factory: RMB230,000

Material company: RMB11.80 million

Sales company Balanced (breakeven)

Profit: RMB328.95 million (RMB60 million digested out of 240 million)

Profit of next year: RMB180 million. Digest the burden

Zhang Fengzhen:

Report the principle and target of 1999

Return rate is determined as 4‰

Wu Yingzhong:

Report on the 1999 work plan for new products

Wu Weiren:

1. Make efforts for work safety

2. Secretary Tao should hurry up with requisition of the two lands

3. The technology management system should be strengthened and perfected in

the next year





4. General management and performance management should be strengthened, especially the management of import and export company, which mustn't be done by employees of inferior level

5. The finance director issues a notice on stopping smuggling.

6. The economy situation still remains severe, which poses some threat to consumables.

7. Appropriate increase in investment next year. If Xianyang factory stops investing in the renovation, the factory will stop development. To renovate or build a new line, CDT or big screen tube (CRT), which needs investment of more money, up to more than RMB1 billion. The time will be around two and half years. We should strengthen our Xianyang base. Where does the money come from? The first is the listing company. We can make good use of the money from the factory branch that listed in 1998. We should pool the money together, so we can control at least RMB1 billion if the total number cannot reach RMB2 billion. The equipment should be advanced, and then use both ends to push the middle. We are going to open up the second battlefield in Xianyang next year. The first battlefield is for production.

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# **Exhibit 117**



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## CERTIFIED TRANSLATION

### Description of Document(s):

<b>MEETING MINUTES RE:</b>
<b>CAIHONG ELECTRONICS GROUP CORPORATION</b>
<b>IRI-CRT-00004817 through IRI-CRT-00004823</b>

Source Language: <b>CHINESE</b>	Target Language: <b>ENGLISH</b>
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**By:** Sean Kirschenstein, Director

**Date:** March 18, 2022

A copy of the translated version(s) is attached to this statement of certification.

**Exhibit**  
**Wang 8558**  
Wang Zhaojie - V1

## Meeting Minutes

Meeting title: [Handwritten:] Group Corporation Administrative Meeting

Meeting time: [Handwritten:] July 10, 1995, 8:30

Meeting location: [Handwritten:]: Caihong Hotel, 6<sup>th</sup> Floor Meeting Room

Chairperson: [Handwritten:] Zhang Wenyi

Attendees: [Handwritten:] Wu Yingzhong, Wang Liguang, Wu Weiren, and Li Zuoting.

Observers: [Handwritten:] Niu Wenjun and Li Wenfu

Meeting topics: [Handwritten:]

1. Regarding cadre training
2. The subsidizing of retired workers and staff
3. Regarding an opinion on handling the Yellow River factory's TV set quality incident

Minutes taker: [Handwritten:] Li Wenfu.

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English words found in the original text are *italicized*.  
Translator's remarks are indicated in brackets [].

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Zhang Wenyi: We have some matters requiring this meeting.

1. Regarding the issue of cadre training and learning

The training at Xi'an Jiaotong University is mainly for technology cadres. They are master's degree students after graduation. The personnel department reported a list of 30 people.

The training at Renmin University is mainly for finance and trade. Reported 10 people. This is mainly training for high-level management cadres, including factory-level leaders.

2. This year's benefits are pretty good. All current workers are receiving these benefits. The issue is what to do about the retired workers and staff.

I think the issue with retired workers and staff is very complicated because of different years of employment. I suggest a one-size-fits-all approach where we give retired workers and staff a price subsidy. That is, we give retired workers and staff a subsidy of 15% of the average salary. Each would get a subsidy of approximately 40-50 yuan per month.

Another approach is to set the retiree subsidies at 30% of the salary increase for the current workers and staff.

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△ All agreed to set the subsidies for retired workers and staff at 30% of the ^ average [inserted] salary increase. The subsidies will start in February 1995. The targets are workers and staff who are officially retiring. Caihong, the Sixth Institute, and the Devices Corporation are covered in this decision.

### 3. About closing the balcony and building the residential buildings

Regarding the balcony closure's incoming materials and project supervision, let's have the discipline inspection commission or the supervision send personnel in to participate. The office will send notification.

Regarding the spaces in the residential buildings being a bit small, some workers and staff have spoken up about this. However, the state's policy is below 4  $m^2$  per capita for poor households. Therefore, the 60  $m^2$  housing we built this time should not be too small. Explain this to workers and staff.

Regarding the remaining piece of land, we'll do the budgeting and planning in 1996 based on the actual situation.

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4. The quality issue with the Yellow River factory's TV sets.

On July 3, when we visited users, we found that some of the 21" color TVs produced by the Yellow River factory had burned and damaged CRT cathodes. The designed voltage on the filament of this batch of color TVs exceeded the limit, which accelerated the aging of the CRTs. More than 260K sets were produced in this batch. Replacing all of these would cost more than approximately 260 million yuan.

Currently, it's clear that the Yellow River factory is liable for this. My opinion is that this matter needs to be reported because Caihong was entrusted to manage the Yellow River factory. The second thing we need to do is to take steps to recall these 260K TV sets. The third is to find out who was responsible. --- The Yellow River factory will draft a report to be submitted. Caihong Group will do the same. Will submit the reports to the provincial government and a copy to the Technology Supervision Bureau.

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Wu Yingzhong: 1. The CRT Industry Association will be holding a preparatory meeting in Beijing on July 17, and the founding meeting will be held in early August.

2. Beijing headquarters building. There is a tower building next to Hangtian Bridge in Beijing. It costs approximately 180 million yuan. The space is approximately 15,000  $m^2$ . Does Caihong want to purchase the entire building or some floors?

△ Purchase the entire building.

3. Report on the projection tube project. Went to visit the Sichuan Provincial Planning Commission with Plant Director Ji to discuss. Also visited two factory locations. Currently, three projection tubes have been integrated. Everything is progressing smoothly. Production will be finalized next year.

Wang Liguang: There has been no breakthrough in technology. We're still a ways from mass production. Therefore, I think we can discuss but hold off on acting.

Zhang Wenyi: As far as technology, we're actively advancing. However, it will take some time to go from batch production and marketing to building factories.

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[Handwritten:]

4. Regarding Devices Corporation: Right now, the finances are being comprehensively straightened out. Will return to Beijing on the 12<sup>th</sup> to sort out materials. The plan for increasing salaries will be ready for launch after the report to the Group. Set up a team for phase II construction of the building to strictly control the fund. Preparing to hold a development and planning seminar in August. However, I think Devices Corporation's only promising area going forward is trade. Is organizing our import and export company, material supply, overseas companies, etc., into a Caihong Corporation a path forward? Regarding building a CRT project in Dalian, after visiting Caihong's factories, the representatives of the Dalian City government think that Caihong has great strength and that it is appropriate to work with Caihong. On the 18<sup>th</sup>, will go to Dalian to discuss setting up some teams. General team: Lu Xiyi. Whole set: Zhang Ningjing. CRT: Ding Wenhui. Power: Zhang Yuyan.

Wang Liguang:

For the second half of the year, I diagnose that one of the management issues at Caihong's Xianyang base is the unevenness in personnel labor and time and the unreasonable personnel quota. Let's make it a goal to enhance cost management and labor

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English words found in the original text are *italicized*.

Translator's remarks are indicated in brackets [].

## CAIHONG ELECTRONICS GROUP CORPORATION

*CAIHONG ELECTRONICS GROUP CORP.*

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[Handwritten:]

productivity and make this known to the lower levels.

Zhang Wenyi: The imbalance in management that Liguang brought up is a very important issue.

We still need to work hard on further improving the management. Think about and draft a report on some measures that can be taken, including rewards to teams doing an exemplary job in basic management, cadre training, etc.

Wang Liguang: We've had a successful trial production of 21" thick neck tubes on the 25" line. Next year, we'll be able to produce 21", 22" and 25" on the 25" line and will be able to reduce the loss of 25" line capacity.

Zhang Wenyi: In 1996, our huge external and internal investments need to be reduced; we need to pause and regroup. Internally, we need to focus on tapping latent potentials and making modifications.

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English words found in the original text are *italicized*.  
Translator's remarks are indicated in brackets [].

# 会议记录

会议名称：集团公司行政办公会

会议时间：1995年7月10日 8:30

会议地点：彩虹宾馆二楼会议室

主持人：张文义

出席人员：武英忠、王李广、吴维仁、李作亭、

列席人员：牛文军、李温夹

会议议题：1. 关于干部培训问题；  
2. 关于离退休职工补贴问题；  
3. 关于黄河厂电视机质量问题  
处理意见。

记录人：李温夹

# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

張文義：有幾個子開會。

## 一、關於干部的培訓和學習問題。

西安交通大學的培訓主要是技術干部的培訓，  
畢業出來是碩士生。人事部報了30個人的名單。

人民大學的培訓主要是金融、貿易，報了10人。  
這主要是各層次的管理干部，包括廠級領導的  
培訓。

## 二、今年效益不錯，在職工人都享受到了，問題 是退休的職工怎麼辦？

我認為退休職工因年限不同情況很複雜，  
我建議採取一刀切的辦法，給予退休職工以  
物價補貼。即平均工資的15%補給退休職工。  
每人每月可補40-50元左右。

另外一種辦法是按在職職工工資增長的30%

編號

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# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

补贴给退休职工。出使问题的了。

△大家同意按<sup>平均</sup>工资增长的30%补贴退休职工。

从1995年2月份开始补起。对象是正式办理离退休职工。范围：彩虹、六所、器件公司。

三、封阳台和建家属楼的。一共花了26万。

封阳台的进料和工程监督让纪委或监察派人进入参与进去。一由办公室通知。的方法是

关于建家属楼的面积小一些，有些职工有看法。但国家的政策是贫困户是人均 $4m^2$ 以下，所以我们这次建的 $60m^2$ 的房应该是不算小了，给

职工解释一下。一、报告上报，报告政府。报告有

剩下的一块地96年再根据情况进行预算规划。



# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

的。萬何厂电视机出质量问题了。

7月3日我们去进行用户走访时发现萬何厂省厂的一部分21"彩电将彩管阴极烧坏的现象。这批彩电在设计上加在灯丝上的电压超过了极限值。彩管加速老化。这批电视一共生产了26万台。若全部更换的话约需2.6亿元以上。

现在责任是萬何厂的。事实已分清。我的看法是这件要上报。因萬何厂要托我们彩虹管理了。第二个措施是采取办法收回26万台电视机。第三是要追查责任人。由萬何厂起草文件上报。彩虹集团也起草一个报告上报，报有政府。抄报有技术监督局。

# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

莫忠：1. 7月17日彩管行业分会在北京开筹备会，成立大会拟在八月初召开。第二套的方案报集团后大概

2. 北京总部大楼，在北京航天桥旁边有一栋塔楼，约需1.8亿元，面积约1.5万 $m^2$ 。彩虹是整栋楼买下，还是买几层？我认为只有买楼上还可以，将

△整栋楼都买下来。物资、海外司、甘田成利

3. 投影机项目汇报。这次周封去去的川省计委谈了一下，还看了两处厂址。目前三个投影机已成型了，进口很顺利；刚才打出生产定型。

李子：技术上还没有突破，高亮度还有一段距离，所以我认为建厂可以议而不动。

张义：在技术上我们积极推进，但批量生产、市场、和建厂问题还有一个时间过程。

从上面的话中不难看出，定员不合理；成本管理不善

# 彩虹电子集团公司

CAIHONG ELECTRONICS GROUP CORP.

4. 关于器件公司。现在正在进行全面财务清理，12月  
 追回北子整理材料。涨工资的方案报集团后就推  
 后了。二期工程建构成立了一个班子，对资金进行严格  
 控制。八月份准备开一次发配规划研讨会，但器  
 件公司有发配前途的我认为只有贸易上还可以，将  
 来把我们的进出口公司，物资、海外设厂组成彩  
 虹商社是不是一条路子。大连七彩管项目了，大连  
 市政府代表团参观彩虹工厂后，认为彩虹实力很强，  
 认为同彩虹合作是合适的，18日去大连谈准备成立  
 几个组：综合组——吕希翼；整机——张宁静；新管——丁文辉；  
 动力——张玉艳。

王季：

下半年我在诊断彩虹咸阳基地的管理问题，一  
 是人员上的劳时不均，定员不合理；成本管理和劳

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# 彩虹電子集團公司

CAIHONG ELECTRONICS GROUP CORP.

动生产率的提高,做为一个目标下达下去。

张义文: 李广提出的管理上的不均衡是一个非常重要的问题,管理上的进一步细化还需要继续努力,包括基础管理中的模范班组的奖励,干部培训等方面想一些办法,拿出一个报告。

王季子: 现在在25"线上试制成功了21"粗管颈管,

明年可在25"线上可生产21", 22", 25", 可以减少

25"线能力的损失。文章 李强夫

张义文: 96年我们对外和内部大的投入要减少

3. 要休整一下, 内部以挖潜改造为主。

# **Exhibit 118**



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## CERTIFIED TRANSLATION

### Description of Document(s):

<b>MEMO RE:</b>
<b>DECEMBER CRT INDUSTRY MEETING EXCHANGE</b>
<b>BMCC-CRT000113389 through BMCC-CRT000113391</b>

Source Language: <b>CHINESE</b>	Target Language: <b>ENGLISH</b>
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WITH REFERENCE TO THE ABOVE MENTIONED MATERIALS/DOCUMENTS, we at Language Fish LLC (doing business as www.certifiedtranslate.com), a professional document translation company, attest that the language translation completed by Language Fish's certified professional translators, represents, to the best of our judgment, an accurate and correct interpretation of the terminology/content of the source document(s). **This is to certify the correctness of the translation only.** We do not guarantee that the original is a genuine document or that the statements contained in the original document(s) are true.

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**By:** Sean Kirschenstein, Director

**Date:** March 18, 2022

A copy of the translated version(s) is attached to this statement of certification.

**Exhibit**  
**Wang 8559**  
Wang Zhaojie - V1

## December CRT Industry Meeting Exchange

The CRT Industry's development is under stress. Looking at the overall trend this year, the nation's adoption of a policy of macroeconomic tightening along with the impact from so-called imported sets constitute an important factor in many CTV companies' struggles and the disappointing demand for CRTs this year. Next year we will continue to be in this macroeconomic environment. A large increase in domestic CRT production will also worsen the supply-demand imbalance in the domestic CRT market. Not only that, but starting in 1996 China will be slashing import duties—by more than 30%. This will further impact domestic CTVs and CRTs.

Let's first discuss our company's current status and plans for next year.

1. Irico Group's completed CRT production and sales this year and development plan for 1996

From January to November this year, we produced 5.432586M units, sold 5.242072M units, and held 231.021K units in inventory. The breakdown is as follows:

	Production	Sales	Inventory
<b>37CM</b>	2.266251M	2.238110M	35.836K
<b>47CM Narrow</b>	1.114623M	1.036708M	78.353K
<b>54CM</b>	1.283202M	1.275006M	8.379K
<b>56CM</b>	249.910K	209.221K	40.738K
<b>64CM</b>	448.654K	411.475K	65.525K
<b>37CM CDT</b>	69.946K	71.552K	2.190K

Next year we plan to produce 6.5M CRTs, consisting of the following:

<b>14"CDT</b>	300K	} (Handwritten: 6.5M units)
<b>14"</b>	2.700M	
<b>18"</b>	1.350M	
<b>21"</b>	1.300M	
<b>22"</b>	200K	
<b>25"</b>	500K	
<b>21" Tube Width</b>	150K	



We plan to export 2.45M tubes. This will consist of 2.3M 14" tubes, 100K 21" tubes, and 50K 14" CDT tubes.

2. Our understanding of the market at year's end

This year, except for Changhong and other inland makers and Konka, TCL, and other southern makers seeing positive business trends and continuing to grow demand for their CRTs, the majority of inland makers' production wilted, and demand for CRTs was weak.

In the first half of November we visited the nationwide home electronics trade show in Hangzhou and saw that some CTV companies in Guangdong Province were very vibrant. They were producing new models at low prices. That plus their wall-to-wall advertising resulted in their being quite well received by retailers and consumers. Given this, it's not hard to understand why despite many domestic CTV companies producing less than last year, the nationwide CTV volume still exceeded last year's by 300K to 400K sets per month.

This year, with tight macroeconomic conditions and fierce competition from imported sets, overall domestic CTV sales levels never peaked during "peak" season. By the end of November, some regional CTV markets had improved slightly in this tepid market, though this improvement included a considerable volume of imported sets. However, of concern is the fact that this trend was quickly dampened by the slated reduction in import duties for next year and consumers' wait-and-see attitude.

So, as a whole, through year's end, not many parts of the CTV market will be vibrant, and what vibrancy there is will not be large in amplitude. Within this big picture, some CTV makers—mainly Changhong and various Guangdong CTV makers—are seeing slightly better business conditions, but business, accounts receivables, and CRT demand are weak for most inland companies, and not much improvement is on the horizon.

3. Our understanding of next year's market and the reduction in customs duties

Developments in the CTV and CRT markets have brought competition on all fronts. Heading into 1996, this trend toward competition will only intensify compared to 1995. Under these circumstances, aside from some wait-and-see demand being realized early next year and the approaching Lunar New Year leading to a slight increase in organic demand, the "peak versus slow season" pattern will further flatten throughout most of the year, and overall conditions will be worse than in 1995.

For CTV companies, next year they will face a chain reaction caused not only by capital and market issues, but also by



a reduction in customs duties. According to our analysis, with next year's reduction in customs duties, the real enemy domestic CTV makers will face is not imported TVs of authentic brands, but "fake foreign devils." In recent years, large domestic retailers have been flooded with many types of imported sets, but we know that the actual number of CTVs imported through customs is very small, just several hundred thousand a year. Those other so-called "imports" are basically customs-dodging parallel imports and sets assembled from kits. Therefore, even if customs duties fall, the market will still be flooded in the same fashion. The only threat is, once duty levels fall, makers that use imported components will be in a position to further reduce their whole-set costs. This will make companies that use domestically produced components—especially inland companies—even less competitive. So conditions will be even more difficult next year.

For CRT makers, some of their clients will not be able to adapt to next year's market conditions. Their business will decline, and demand for their CRTs will be weak. Meanwhile, our production capacity continues to increase. Amidst these disadvantages, CRT makers will also face competition from imported CRTs. The annual domestic demand for imported CRTs is very high, basically around six to eight million units. If CRT customs duties fall, every 2.5% reduction would mean the price of a 21" CRT can be reduced by around 20 RMB. If domestic CRT companies don't continue to make their prices, transport, and aftersales services more competitive so they can win more market share against imported CRTs, there will be a surplus in domestic CRT capacity. To this point, we hope our CRT industry peers will unite, act in concert, and face our foreign enemies together. Only in this way can we minimize our losses and increase our competitiveness.

Irigo Group Sales Company  
November 30, 1995

## 12月份彩管行业会议交流稿

彩管行业的发展面临着压力。以今年总的形势看,国家采取紧缩的宏观调控政策及所谓进口机的冲击,是今年众多彩电企业运营不畅,彩管需求有负众望的一个重要因素。而明年,我们仍将面临这样的宏观环境,国内彩管生产量的大幅增长,也会使国内彩管市场的供求矛盾日趋明显。不仅如此,中国1996年起大幅度降低进口关税税率总水平,降幅在30%以上,这将意味着国内的彩电、彩管将面临着更大的冲击。

先谈谈我厂目前情况和明年规划。

### 一. 彩虹集团今年彩管产销完成情况及1996年发展规划

今年1-11月份,我们共生产彩管543.2586万只,销售524.2072万只,库存23.1021万只。其中:

	产	销	存
37cm	226.6251	223.8110	3.5836
47cm 细	111.4623	103.6708	7.8353
54cm	128.3202	127.5006	0.8379
56cm	24.9910	20.9221	4.0738
64cm	44.8654	41.1475	6.5525
37cm CDT	6.9946	7.1552	0.2190

明年计划生产彩管650万只,其中:

14" CDT	30万只
14"	270万只
18"	135万只
21"	130万只
22"	20万只
25"	50万只
21" 粗管径	15万只

650万只

出口彩管 245 万只, 其中 14"230 万只, 21"10 万只, 14"CDT5 万只。

## 二. 对今年年底市场的认识

今年除长虹等内地厂及康佳、TCL 等南方厂经营势头较好, 对彩管需求保持增长势头, 其余大部分内地厂生产萎缩, 彩管需求冷淡。

11月上旬我们在杭州考察全国交家电商品交易会时也看到, 广东省份的一些彩电企业表现出旺盛的生命力。他们生产的机子款式新, 价格低廉, 再加上铺天盖地的广告宣传, 颇受商家和消费者的睐。从这个角度考虑, 我们也就不难理解为什么众多国内彩电企业比去年生产量有所减少的情况下, 全国彩电量仍然每月比去年同期高出 30-40 万台。

在今年宏观形势趋紧和进口机竞争激烈的情况下, 国内彩电销售总体水平是“旺季不旺”。到11月底, 部分地区彩电市场表现出淡市中的微幅盘升, 在这盘升中也包含相当量的进口机。不过令人忧虑的是, 这种势头出现不久, 关于明年降低关税和消费者的观望心理, 又使这种势头淡化。

所以, 总的说来, 到年底为止, 彩电市场趋旺的成份和幅度都不会大。这其中, 又表现为一部分彩电厂, 主要是长虹及广东各彩电厂经营形势略好, 而内地大部分企业的经营、回款及对彩管的需求仍然虚弱, 不会有太大的改善。

## 三. 对明年市场和降低关税的认识

、 随着彩电、彩管市场的发展, 各种竞争随之加剧。进入1996年, 这种竞争的势头与1995年相比, 则有过之而无不及。在这种情形之下, 除部分观望者的需求在明年初会有所释放和春节临近自然需求略有增长外, 其余大部分季节的“淡旺季”特征将可能进一步淡化, 总体形势不会好于1995年。

对彩电企业来讲, 明年面临的不仅是资金和市场, 还有关



税降低引起的连锁反应。我们分析,明年关税降低,国内彩电企业面对的真正敌人不是正牌进口机,而是“假洋鬼子”。这些年来,国内各大商场都充斥着品种繁多的进口机,但我们知道,真正从海关进口的彩电数量极少,每年只有几十万台,那些所谓的进口机基本上都是偷税漏税的水货和组装机。因此,即使关税降低,市场上充斥的还将是水货和组装机。唯一的威胁就是,一旦关税水平降低,那些使用进口元器件的厂家将有条件进一步降低整机成本。这种情况将使使用国产化元器件的企业尤其是内地企业,其竞争力会进一步弱化,明年处境更加困难。

对彩管生产企业来讲,一方面是部分用户适应不了明年的市场形势,经营走下坡路,彩管需求不强劲;一方面是自身的生产能力在不断提高。在这种不利环境下,彩管企业还将面临进口彩管的竞争。国内每年对进口彩管的需求量很大,基本每年在600-800万只左右。如果彩管关税税率降低,税率每降低2.5%,对一只21"彩管来讲,价格就可降低20元人民币左右。如果国内彩管企业不在价格、运输、售后服务方面进一步提高竞争力,和进口彩管抢市场,国内彩管能力将过剩。针对这一点,我希望我们的彩管同行应联合起来,步调一致,共同对付外来的敌人,这样才有可能使我们最大限度降低损失,增强我们的竞争力。

彩虹集团销售公司

一九九五年十一月三十日

# **Exhibit 119**



July 21, 2023

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, **Bruce Lin**, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of the document with bates number: BMCC-CRT000113384 to BMCC-CRT000113388.

*(Digital or printed signature here above the line)*

*Bruce Lin*

---

**Bruce Lin**

Project Number: BBLLP 2307 P0029

15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870

Date: January 4

△HYUNDAI

## CPT Industry Meeting/BMCC Business Meeting Room

BMCC: In December 1995, acceptance bills began to be accepted, and the longest period was 3 months. The original plan was to collect the payment on the 5th, 10th, and 15th of the next month after shipment, which did not work. At present, the payment of the finance department is only 1/3 in cash, and for the remaining part, acceptance bills have also begun to be paid. Due to the launch of the new BMCC project, the cash flow is a big problem. Judging from the 21" market situation this year, the price of 21" needs to be adjusted, but how much will the adjustment be (the price of 19" needs to be adjusted accordingly as well)? Considering the current situation, it is better not to make any adjustment before the Spring Festival. (Samsung RMB937, Daewoo RMB910)

SEG: 2.01 million pieces of CPT were produced in 1995 and there is barely any inventory. Payment collection is in the same situation as BMCC. Initially, the payment collection from Konka was delayed for one month, but acceptance bills began to be accepted at the year end. The bank agrees to discount (the charge is a little more than 10%, lower than loan interest). The forecast for 1996 is either to reduce the production or to reduce the price (reducing the production by 10% is equal to reducing the price by RMB50). Export/domestic sales = 1/2. But the best way is to ① Expand the proportion of exports; ② Product structure adjustment. The price of SEG's export of CPT to Hitachi is FOB USD69.5, now the price of self-operated export is ITC FOB USD83-85. [There is USD5-USD6 in the self-controlled intermediary link.]

\* Joint ventures established after January 1, 1994 have the export input tax rebate as state-owned enterprises, while joint ventures established before this time do not have export input tax rebate.

Date.

△HYUNDAI

BMCC: excuses need to be found for price reduction to make it psychologically acceptable to the whole-machine factory. Plus: the price reduction should be able to resist imported pipes, and to give industry protection. As far as we know, there are no major changes in tariffs.

Novel: Price adjustment is much better than the production limit. First, it is consistent with the international market, and second, it does not affect the efficiency. If the price is reduced by RMB100, the three biggest companies might make it, but Novel will be screwed. The price reduction should be a one-off and the price should remain stable for a while. The production in 1995 is 2.33 million, and the main inventory is 18". The maximum maturity for an acceptance bill to be accepted is 4 months. In principle, Yongxin does not want to lower prices, but mentally we are also prepared for the price reduction. If the tariff is reduced from 25% to 15%, then CIF Hong Kong USD83-USD85 will be equal to RMB946. (Director He interjected, we heard that the tariff will be above 20%, and will not be very low.) 20% → RMB967.

Dongguan: The 21" encountered a price cut right after it was launched, and now there is almost no profit. As far as the current market is concerned, the CPT inventory of TV factories is not much, so don't be too pessimistic about the balance between supply and demand. Domestic CPT products have better quality than foreign products, and now the production of 21" abroad is reduced. If the rural market can be opened up, the market will see a big bounce back after the small low period. We are going to reduce the price in April at the same time when the tariff is cut; meanwhile, the price from factories of the supplying parts needs to be reduced together. Some materials, such as shadow masks, are already oversupplied. In addition, CPT factories should not undermine each other, and should be united to deal with the outsiders. At present, the TV factories in Guangdong account for 1/3 to 1/4 of the (TV factories) in the whole country.

INDAI

Date.

△HYUNDAI

As far as our factories are concerned, they are all at our doorstep, and other (CPT) factories have to pay at least RMB15 for shipping costs, so we are still competitive. Next year we plan to export 1/4 of our output. That kind of fake export is very harmful to the industry, and we think it is enough to drop RMB20-30. It is too difficult to adjust the product variety of our factory. The market for 25" in Guangdong has already emerged, but the supplies are from 4400, Yongxin, and Huafei. We as a local enterprise must reduce the part of 21" and increase 25" to get back our market share.

Huafei: The current market may be impacted by the news of 30% tariff cut, and people's mindset is similar to the time when (China) joined GATT in 1992. At present, it seems that although there are some imported CPTs from South Korea, the quality is not as good as that of domestic products, and they require cash payment. The oversupply of 21" is the key to the price problem. Increasing exports can balance domestic supply and demand, while restricting production cannot. (OPEC is an example. Due to the different policies of various countries, it is impossible to seek cooperation.) With the reduction of tariffs on TVs, CPTs, and CPT materials on April 1, it is unreasonable for CPTs not to cut prices. It is necessary to wait until the tariff conditions are clarified to make a decision. At the same time, CPT material suppliers should also cut prices concurrently. It is unreasonable to cut prices now. Although the price has not changed, in fact the price conditions have changed, and the price has been partially reduced in disguise, which equals to cash payment at RMB950 – RMB960. When considering the price reduction of 21", we must also take into account other varieties. Even if the price of 18" is reduced, there is still so much inventory, and the price shall continue to be reduced. We must think about what to do next.

HYUNDAI

Date:

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1995

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Xianyang 4400: Everyone has been only talking about price cuts for a while. Changhong only talked to me about the quantity, they have a strong price request, but (I) did not agree. Now the 21" inventory is zero. Shaanxi's rural market has been explored but the mainstream is 21" instead of 18", and the export company is asking for having 400,000 to 500,000 export orders, so it is definitely impossible to reduce the price of 21", at least not for now. But if you all decide to reduce the price, we will follow. I am thinking: To secure the small factories and stabilize the big factories. For 14", the production output will be 2.85 million and the export will be 2.65 million in 1996, and the export is not enough. For our factory, 21" is not the main product, and since we have many types of products, we are not worried about price cuts. Xianyang 21" glass bulb will be self-produced soon, and DY has been produced by Xi'an Jiaotong University, so the profit is very high. For 21", 400,000 ~ 500,000 will be exported in 1996 according to plan. For 18", it is planned to export to Russia. CMT 300,000 ~ 500,000 in 1996.

Summary: No price cut for now, this matter will be discussed on April 15. Payment term for material manufacturers will be 70% acceptance bill.

MAC introduction: Samsung bought 80% of MAC's shares at the price of USD83 million, and MAC's liabilities amount to USD89 million. Currently MAC has 600 employees, but only 200 of them can stay. Its production capacity (phase one. Note: crossed out by hand) is 6 million and its investment is USD600 million.

USD200 million → phase one 3 million  $\langle \begin{smallmatrix} 1.5 \text{ million } 14" \\ 1.5 \text{ million } 21" \end{smallmatrix} \rangle > 2$  lines (among which 30% for export, 70% for domestic market)

Started production in April 1997, producing 21" and 14", with a plan to produce CMT.

USD400 million → phase two 3 million  $\langle \begin{smallmatrix} 14" \text{ CMT} \\ 14" \text{ CPT (compatible with CMT)} \end{smallmatrix} \rangle$ , and then produce 15" CMT  $> 2$  lines

July 1998

(Total production capacity 6 million, among which 2.35 million for domestic market and the rest for export.)



HYUNDAI  
said

21" inventory  
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Date: 17.4 million CPT, CMT 0.6 million 3,853

HYUNDAI

\*China 1995, 18 million production capacity, and 20.53  
million production capacity to be approved.

Among which CPT 3,133

CMT 720

2,033

489

231

9

enterprises in total

1995 global production capacity Domestic Export Domestic  
CPT 12,900, CMT 5,200

Meeting decisions: (6 CPT factories):

- ① Before April 1, there will be no price reduction for CPT;
- ② After April 1, the Ministry of Electronic Industry will organize and convene a meeting to coordinate the prices, with manufacturers of TV, CPT, and CPT materials all participating, and a one-time price reduction will be made;
- ③ All CPT factories should make greater efforts to boost export. Meanwhile, they should also adjust their product mix, if possible, to reduce the pressure on 21".

P.S. Commencing from January 1996, a unified payment term (30% cash and 70% acceptance bill) will be applied for all upstream material manufacturers of CPT.

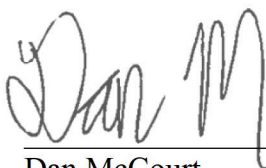


# **Exhibit 120**




City of New York, State of New York, County of New York

I, Dan McCourt, hereby certify that the document “**IRI-CRT-00008236-239**” is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

  
\_\_\_\_\_  
Dan McCourt

Sworn to before me this  
September 14, 2022

  
\_\_\_\_\_  
Signature, Notary Public

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Stamp, Notary Public

**IRICO Group Corporation**

044

**IRICO Color Picture Tube General Plant**

*Brief Meeting of Plant Leaders*

*Time: December 11, 1997 4:00 PM*

*Venue: Small Meeting Room No. 3*

*Participants: Ma Jinquan, Tao Kui, Xing Daoqin, Li Zuoting, Ma Shitai, Mu Haoping, Niu Wenjun*

*Factory Director Ma: Factory Director Wang has gone to do studies and handed over the work to me before leaving. I'm afraid that I can't handle the work properly, so I think we can communicate with each other once a week, cooperate with each other and put heads together, in order to properly fulfill the work given to us by Factory Director Wang.*

*Secretary Tao: The current operation situation is not favorable. An industry meeting was held last week, and all tube makers set the price of 21''' at RMB620. Although this meeting plays a minor role, it has an impact on the sectors outside and also has a certain effect. The Party office should stabilize employees' thoughts with the cooperation of the public security office. Due to financial strains, money should only be spent on the most important things and should be saved as much as possible with payment delayed if possible, and the leaders of all units should be informed of this policy. Here I report that the personnel, funds and material resources of Xi'an No.1 Radio Factory are incorporated into the General Plant. To pay a visit to inspect the leadership team next week. The inspection group will be composed of 7 people from the Organization Department, the Human Resource Department, etc., to be mainly led by Director Tao. In addition, the document of medical reform was issued these days*

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**IRICO Group Corporation**

045

**IRICO Color Picture Tube General Plant**

*and should be implemented from January 1 next year.*

*Chief Mu: With respect to financial affairs, payments should be delayed if possible in principle. Materials Supply Company already has a debt of RMB150 million. At present, there is no problem with the cash flow, but the conditions after April next year is worrisome.*

*Factory Director Ma: I have been at work for more than one week and am in charge of the technology and quality. In terms of technology, I don't think we have products with high technology. Right now we could focus on two varieties, namely 15" CDT and the 700 line. There is a rather large demand for 15", so there will be a large impact once we get hold of it. Chen Dezhi said 8,000 pieces could be available in January. We could provide good services and increase rewards. There will be a great promotion effect in the aspect of display tubes after the 15" is available. Besides, 25" and 29" will be the best choice for 700 line, which are marketable. We should strive hard and move forwards quickly so that the development of the General Plant is promising. The development of PDP should also be stepped up. The personnel that have gone to Samsung should try to stay for as long as possible. It is required that personal difficulties should be solved if possible. It is hoped that we can care for technical personnel and recruit more undergraduates. The technical persons can act as the team leader concurrently, and decisions on matters in the technology sector should be made by them. Third, a technology meeting was held with strong responses. In terms of quality, the Quality Department, which represents users internally and the General Plant externally, makes plans for the quality work for next year. It is also suggested that the top leaders of all units should participate in the quality analysis meeting held at the end of each quarter. We can only provide high quality with low costs.*

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**IRICO Group Corporation**

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**IRICO Color Picture Tube General Plant**

*We should increase the severity of penalties in case of quality problems. In terms of sales, as Changhong doesn't take tubes, the sales volume has declined to some extent. It will be unfavorable for us if we go to Changhong to communicate about the sales now. Our visit to Changhong this time is solely for quality purposes. Don't talk about prices with them actively.*

*Factory Director Xing: The production has been limited for the past two months. It is rather difficult for units to organize production. We had no choice but to extend the working time to 24 hours during weekends. In addition, it is difficult to stabilize the mindset of staff and workers. Cadres at lower levels can't guide employees very effectively. There are many relevant comments at those levels. The parts and components factory not only needs to adjust the structure, but also needs to develop new products, which is a tough task. The internal supply factories said that they can decrease the price by 5% under the condition of ensuring the same quality, but who can guarantee more than 75% of their products are used in the Plant at least? I'll ask Materials Supply Company to coordinate it. Moreover, the natural gas station problem hasn't been formally reported to the Group. At present, the capital for 300 thousand cubic meters is RMB200 million, which exceeds RMB100 million no matter how we make a calculation. The plan for a liquefied gas station for standby use is dropped, and the progress of low-voltage section is slowing down. At that time, we didn't expect that the delivery fee would be so expensive, reaching RMB90 million. Now we should do a good job in three aspects. First, the General Office and Power Office should make a new feasibility report. Second, the General Office should contact Japanese Zhongwailu (transliteration). Third, the General Office should continue to contact relevant personnel of Xianyang City. We will simply not use it for the time being.*

*Chief Ma: I think more about the intellectuals. I would like to talk about three ideas. First, the General Plant*

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**IRICO Group Corporation**

047

**IRICO Color Picture Tube General Plant**

*is now solving such problems as the remuneration of intellectuals. Second, our employees just work in Samsung and MAC temporarily, and they won't be allowed to participate in the technology development. Third, it is not easy for technical personnel to leave. 15" CDT should be launched next year, and we must focus on the internal supply of components. We don't plan to discuss on 25" electron gun parts for the new product plan of next year. We held two meetings for the 700 line recently and clarified the problems of 700 line. Arrangements have been made for the status quo, technology, equipment problems, plans of the next step and requirements of the General Plant. What matters most is the invar shadow masks. Do we develop the mold by ourselves or buy the finished products? I think the conditions for independent development are not mature. It is best to buy the finished products.*

*Factory Director Ma: Buy the two sets. Don't develop the mold by ourselves. Let's draw the meeting to a close today.*

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044



## 厂领导碰头会

时间: 97.12.11. 下午 2:00

地点: 三小会议室

人员: 马金泉, 陶魁, 邢道钦, 李作序, 马世太, 穆浩平, 牛文军

马厂长: 王厂长学习去了, 走之前把工作交给我, 我担心工作干不好, 所以我想咱们几个每周沟通一次, 相互配合, 集思广益, 把王厂长交给咱们的工作干好。

陶书记: 现在的经营形式不好, 上周开了个行业会, 各个管子厂把21"价格定在620元, 虽然此次会议起作用不大, 但给外界一个影响, 还是有一定作用的。在稳定职工思想方面务必做一下工作, 公安处配合。财务资金紧张, 钱只能用在最重要的事上, 能不出就不出, 能拖的就拖, 给各单位领导通知一下。我通报一下, 西无厂的人、财、物整体划归总厂, 下周去考查领导班班子, 组织部、人事处等7人去一下, 主要由陶部长坐阵, 还有医疗改革的女这两天发了,

第 页



045

彩虹集团公司



彩虹彩色显像管总厂

明年元月一日起执行。

穆总：财务这边原则上是能拖则拖，物资公司已欠别人1.5亿。资金上  
前还转得过来，担心的是明年四月份以后。

引长：我上班一周多了，主管技术质量，在技术方面，我觉得咱们  
没有技术含量高的产品，目前有两个品种可上手，即15" CRT和700线。  
15"需要量较大，只要拿下来，作用就很大，陈德智说元月份能干出  
8000只，我们几个服务好，包括奖励方面，可加大力度，15"出来后，  
可以在显像管方面起到很大的促进作用。再就是700线（最好是25"  
29"），很有市场，努力拼搏，很快上去，给总厂的发展将很有前景。  
PDP也应该赶紧上。到三星去的人尽量不要走，个人困难，要求能解决  
的可以解决，希望大家都能关心技术人员，应该比较多的雇用大学  
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外用户，对外代表总厂，为明年的质量工作做出计划，并建议每一季度的  
质量分析会由各单位“一把手”参加，我们只能高质量，低成本，

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046

彩虹集团公司  
彩虹彩色显像管总厂

在质量上出了问题应加大处罚力度。销售方面 因长虹不拿管子，销售量有所下降，我们现在去长虹谈销售对咱们不利，这次去长虹只是质量走访，不要主动和他们谈价格。

邢厂长：这两个月处于限产状态，单位组织生产较难，只好把周末时间延长至24小时，另外职工的思想难以稳定，下面的干部又不太在职工中做有效的指导，下面的说法很多。零部件厂既要调整结构，又要搞新品开发，比较难办。内配厂说可以保证质量相同情况下价格下降5%，但谁能保证厂里用他们最少75%以上的产品，我让物资公司协调一下。还有天然气站的问题，向集团没有正式报告，目前30万立方米的资金是两个亿，怎么算也得超过一亿，备用的液化气站不要了，低压部分也缓一下，当时我们没想到送电委会这么贵，9000万，现在我们要做好三方面的工作，一是综合处和动力处继续和咸阳联系，干脆咱们暂时不用。

马总：我对知识分子的事考虑多一些，我说三个看法：一是总厂对E0

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彩虹集团公司  
彩虹彩色显像管总厂

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马厂长：两副都买，不要自行研制。今天会到此吧。

044



### 厂领导碰头会

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马厂长: 王厂长学习去了, 走之前把工作交给我, 我担心工作干不好, 所以我想咱们几个每周碰头一次, 相互配合, 集思广益, 把王厂长交给咱们的工作干好。

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15"需要量较大，只要拿下来，作用就很大，陈德智说元月份能干出  
8000只，我们几个服务好，包括奖励方面，可加大力度，15"出来后，  
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彩虹彩色显像管总厂

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马总：我对知识分子的事考虑多一些，我说三个看法：一是总厂对E0

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彩虹彩色显像管总厂

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马厂长：两副都买，不要自行研制。今天会附记这里吧。

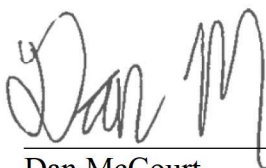
# **Exhibit 121**






City of New York, State of New York, County of New York

I, Dan McCourt, hereby certify that the document “**IRI-CRT-00008241-245**” is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

  
\_\_\_\_\_  
Dan McCourt

Sworn to before me this  
September 14, 2022

  
\_\_\_\_\_  
Signature, Notary Public



\_\_\_\_\_  
Stamp, Notary Public



**IRICO Group Corporation**

049

**IRICO Color Picture Tube General Plant**

*Administrative Meeting*

*Time: December 31, 1997 8:30 AM*

*Venue: Small Meeting Room No. 3*

*Participants: Wang Liguang, Ma Jinquan, Tao Kui, Xing Daoqin, Li Zuoting, Ma Shitai, Mu Haoping, Niu Wenjun*

*Factory Director Wang: I want to start with two outside matters. First, a meeting will be held for top leaders at 2:00 PM to ask them to do some thinking during the New Year's Day. After the New Year's Day, a panel discussion will be conducted with each unit and middle-level cadres. There is no way to retreat. The difficulty that we face is mainly in this year and the next year. We need to fight and get through it.*

*Factory Director Ma: I would like to report on the recent work and put forward the plan for the next year. A general meeting for technical personnel was held to give them a chance to voice their opinions. At present, the condition has been stabilized, but there is still some room for improvement in our work. Through learning, I think the work of the technical center should be enhanced. We should learn from the experience of Haier. In terms of quality, I think the top leader of each unit should participate in the regular quality meeting at the end of each quarter, and the quality should be improved to a certain level.*

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**IRICO Group Corporation**

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**IRICO Color Picture Tube General Plant**

*The after-sales service should be improved, and a certain part can be increased for them. Besides, there is a problem about B tubes, which were always sold by Wei Jianshe (equivalent to an agent) previously, but they didn't sell well recently. If we sell the tubes by ourselves, what should we do as we don't have the trademark? We need to come up with a solution. In terms of sales, first we have paid a visit to Changhong in the name of quality interview. We think the price of 25" should be no less than RMB1,150. Second, Zhongshanglong under the electronic chamber of commerce can take 500 thousand pieces of 21" and 100 thousand pieces of 25" in one year. Third, XOCECO has a good financial situation and can take 10,000 pieces first. Some time ago, they gave us RMB8 million, equivalent to a repayment of RMB3 million. Fourth, Konka hopes that they can use our 14" for all their products, but the export tax rebate must be calculated for us. The price we calculate for 14" is USD34.5. Fifth, the leadership of Meile is unstable. The parts factory hopes a promotion team can be organized for 25" electron guns. The Deputy Chief (Zhao) can take the lead and play the role of the Deputy Chief. This is a common problem which involves matters in the entire internal supply of component factories, and should be in charge by Factory Director Xing.*

*Factory Director Wang: Products are stored in different places with carrot and stick approaches. A surplus of employees of Xi'an No. 1 Radio Factory can be given living allowance and be asked to sell TVs for commissions. 14" and 18" are marketable, but we must change the marketing strategy. We should set a sales policy for 15" and the 700 line. Sales with price concession can be allowable, but a debt is absolutely unacceptable. An industry meeting will be held on the 4<sup>th</sup> day [of next month], and we will first*

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*give RMB50 thousand. As for the listing of the key school for children of employees, we have given a reward of RMB30,000, but the money shouldn't be given out all at once.*

*Factory Director Xing: I would like to talk about four things. The first one is the production conditions. Inventory: 14": 620 thousand, 21": 304 thousand, 25": 65 thousand, total: 1.1 million (including 0.28 CDT); 14" screen: 400 thousand, 14" funnel: 670 thousand, 21" screen: 460 thousand, 21" funnel: 148 thousand, 25" funnel: 50 thousand; 14" shadow masks: 400 thousand, 21" shadow masks: 210 thousand; 14" gun parts: about the volume for half a month to a month; explosion-proof straps: no inventory; red powder: 7 tons, green powder: 6 tons, blue powder: 8 tons; 14" electron guns: 110 thousand, 25": 49 thousand, 21": 90 thousand; Plant No. 2's low-melting glass powder: 21 tons; glass: 28 tons; Materials Supply Company: 47 tons.*

*(Note: 20 tons can be used in a month.)*

*Daily production of the glass factory:*

*14" screen: 6,000 pieces/day, 21" screen: 2,500 pieces/day, 21" funnel: 7,000 pieces/day, 25" funnel: about 300 pieces/shift.*

*The work of the electron gun factory before and after the relocation has been relatively smooth, but the yield of 21" has decreased to some extent. At present, they are required to restore the level before the relocation as soon as possible.*

*The second is the technical reform, cold repair and transformation of the screen furnace. The materials will be discharged on May 1, 1998 (it may be advanced for half a month), and the production will start on August 25. The total investment of the natural gas station is RMB197 million. The delivery fee was expected to be*

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*RMB100 million previously, and it is RMB79 million at present, so RMB170 million should be enough. We would like to report it to the provincial government in written form, and have the provincial government decrease the cost, or otherwise we may postpone it. Third, we should try to shorten the contract cycle, make achievements in material supply and lower prices. Fourth, the cost-centered management system is now geared towards highlighting the internal market economy. We will discuss the feasibility report of natural gas at the technical reform meeting. Plant No. 2 and the joint-stock company will not have a holiday on New Year's Day. During the Chinese New Year, they will have a holiday from January 24 to February 8. Plant No. 1 will be on holiday until February 8th.*

*Factory Director Wang: The thinking for 1998 is not a principle, but some ideas about some specific jobs. Everybody can have a look and make a conclusion about it after New Year's Day. The basic principle is to plan strictly, but also have a definite aim. We break down the cost indicators and solve them one by one. I suggest Chief Mu lead the discussion. You have our support. Materials and equipment must be put into one department to enhance efficiency, expand capital, and reduce expenditure. All units must implement the "One Pen" system.*

*Chief Ma: I spent the last two days attending provincial-level meetings about the electronic industry of Shaanxi Province, with the topic of the integration of three electric appliances, namely the TV sets, computers and communication machines.*

*Chief Mu: I want to talk about the fund problem. There are financial constraints. By the end of this year, loans have not*

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*increased, with RMB120 million loans available in January at an interest rate 3% lower than normal. Arrearage is common all across the country, and we are in arrears, too. Materials Supply Company must owe RMB200 million next year, and if it fails to do so, the amount will be treated as a loan. In 1998, the internal monetary policy will be tightened. In some cases, it will be difficult for certain branch factories to pay employees' wages. I hope all leaders are mentally prepared. Next year, the effective director responsibility system will be implemented for the directors of all factories. In addition, we have established a cost management system. The price of the supporting factories is 8% lower than that of elsewhere. Materials Supply Company focuses on dealing with prices that cannot be lowered. We won't be partial with the backward, and we will choose whoever has the lower price.*

*Factory Director Wang: I will hold a meeting ("the top leaders") in the afternoon, in which I would like to analyze the situation for everyone and explain the challenges thoroughly. In 1998, we must succeed, not fail. We should make everyone aware that opportunities come with challenges and give them time to think about it during the New Year's Day holiday. After the holiday, we will put our direction and requirements in place. Then we will hold a meeting for all middle-level cadres to help them understand the situation, get psyched up and gain confidence to work hard and achieve our goals.*

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彩虹集团公司

彩虹彩色显像管总厂

049

## 行政办公会

时间: 97. 12. 31. 上午8:30.

地点: 三小会议室.

人员: 王李广. 马金泉. 陶魁. 邢道钦. 李作亭.

马世太. 穆浩平. 牛文军.

王厂长: 我先说两件局外事, 一是下午2:00召开一个“一把手”会议, 提出要求, 让大家在元旦期间思考一下, 过身元旦后和各个单位座谈, 和中干谈谈, 我们没有退路, 背水一战, 再难也就今. 明两年, 我们一定要闯过去。

马厂长: 我把最近一段的工作汇报一下, 并提出明年的打算。召开了一次技术人员大会, 让大家有一个发表意见的机会, 目前已经有所稳定, 但不能排除咱们做的不够多的地方。通过学日, 我觉得技术中心的工作还应加强, 应学学海尔的经验。质量方面, 我认为每季度末的质量例会由各单位“一把手”参加, 把质量提高到一定高

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彩虹集团公司



彩虹彩色显像管总厂

度。售后服务要加强，可以给他们增加一部分。还有B管问题，以前一直是由魏建设销（相当于代理商），但最近他们不好销，如果让咱们自己销，无商标，看咋办？咱们拿出个办法来。销售方面，一是以质量走仿名义去了一趟长虹，我们认为25"不能低于1150元，二是电子商会下面的中南龙，可以一年拿21"50万只，25"10万只，三是厦华，他们资金较好，先拿1万只，前段日子他们给咱们800万元，相当于还了300万元；四是康佳，他们希望14"全用我们的，但必须给咱们算出退税，14"我们算34.5美元；五是美乐，他们领导班子欠稳定。零件厂希望把25"彩电搞个推进小组，可以让副总（赵）牵头，发挥副总的作用，~~因为~~这是一个共性的问题，牵涉到整个内配厂的事，哪厂长抓一下。

王厂长：产品异地存贮，软硬兼施。西五一厂富余职工可以发生活费，让他们去卖电视，提款。14"、18"还是有市场的，但我们必须改变营销策略。15"和700线应该定出个销售政策来，价格上可以让价销售，但绝对不能让对方欠款。4日开行业会，我们先

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彩虹集团公司

彩虹彩色显像管总厂

把5万打过去。至于子校重点中学挂牌的事，嘉奖30000元，但让他们不要一次发完。

厂长：我讲四个方面，一是生产情况，库存14" 62万，21" 30.4万，25" 6.5万，再加上0.25的等共110万；14"屏40万，14"锥6万，21"屏46万，21"锥14.8万，25"锥5万；14"荫罩40万，21"荫罩21万；14"枪零件大概是半个月—1个月的量，防爆带库存；红粉7吨，绿粉6吨，兰粉8吨；14"电子枪11万，25"4.9万，21"9万；低玻粉=厂田21吨，玻璃28吨，物资公司47吨。（注：一个月可用20吨）。

玻璃厂每天生产：

14"屏 ~~6000~~ 6000只/天，21"屏2500只/天，21"锥7000只/天，25"锥300只左右/班。

电子枪厂搬迁和搬迁后的工作都较顺利，但良品率21"有所下降，

目前要求他们尽量恢复到搬迁前的水平。

二是技改，屏炉空修改造，98.5.1.放料（可能提前半个月）

8.25.开始生产；天然气站总投资1.9712元，但以前预计输配费

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彩虹集团公司



彩虹彩色显像管总厂

1亿, 目前0.79亿, 所以1.7亿元即可。咱们想以书面形式报省政府, 由省政府出面, 费用下降一些, 要不咱们就往后推。

三是订合同的周期要缩短, 在物资供应方面做出成绩, 压价。

四是以成本为中心的管理体系已经准备好, 突出内部的市场经济。

天然气的可行性报告, 我们放在技政会上讨论一下。二厂和股份

公司元旦不放假, 春节时从元月24日至2月8日放假, 一厂直放假到2月8日。

订计划: 98年思路不是原则, 只是具体工作上的一些想法, 大家可以看一下, 元旦后定下来, 基本原则是严格计划, 但又要有的放矢。

成本指标分解下去, 一个个解决, 由穆总去谈, 我们支持你。

物资、设备必须归口到一个部门, 增效、增资、节流; 各单位必须

行“一支笔”制度。

马总: 前两天到省里开了两天会, 讨论陕西省电子产业, 电视机、计算机、通讯机三机合一, 三电合一。

穆总: 我想说的是资金问题: 资金紧张, 截止今年年底贷款并设

彩虹集团公司



彩虹彩色显像管总厂

053

增加,元月份可贷1.2亿,利息比正常可低3%。全国整个形式都是欠款,我们也欠,物资公司明年必须欠两个亿,达到时,则按贷款处理。98年内部紧缩银根,个别情况下个别分厂发工资有困难,希望各位领导有个思想准备,明年对各厂厂长实行有效的厂长负责制。另外我们定了一个成本管理体系,配套厂比外面价格低8%,物资公司对降不下来的价格重点出击,我们不但应后进,价格低利要做的。

厂长:下午开个会(“把手”),我想把形式给大家分析一下,把困难讲透,98年只作成功,不许失败。要让大家认识到有困难,但也有机遇,让大家利用元旦时间好好思考一下,元旦后要把我们的方向和要花费穿下去。元旦后开一次全体中干会,认清形式,做好心理准备,树立信心,艰苦奋斗,实现目标。

# **Exhibit 122**

HIGHLY CONFIDENTIAL

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\*\*\* HIGHLY CONFIDENTIAL \*\*\*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

Case No. 3:07-cv-05944 SC

MDL No. 1917

-----x

IN RE: CATHODE RAY TUBE (CRT)

ANTITRUST LITIGATION

-----x

This Document Relates to:

ALL ACTIONS

-----x

Taipei 101 Tower  
Xinyi Road  
Taipei City, 11049  
Taiwan

February 28, 2013

9:00 a.m.

Volume II of II

CONTINUED DEPOSITION of JING SONG LU,  
held at the aforementioned time and place,  
before Audrey Shirley, Qualified Realtime  
Reporter, MBIVR.

VERITEXT REPORTING COMPANY

212-267-6868

www.veritext.com

516-608-2400

## HIGHLY CONFIDENTIAL

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1 information provided by CPT and Orion and are 10:55:53  
2 willing to cooperate with the move to increase the 10:55:55  
3 price of 14" CPT, except that July orders have 10:55:57  
4 already been received. They are willing to 10:56:02  
5 increase the overall price beginning in August. In 10:56:04  
6 addition their basic selling price is slightly 10:56:08  
7 lower than that of the big factories by US\$1-2. 10:56:10  
8 That was understood by everyone." 10:56:17  
9 And my question is for you to simply 10:56:19  
10 explain to me in your own words what you meant 10:56:21  
11 when you drafted that paragraph. 10:56:23  
12 A. Uh-huh. 10:57:25  
13 Q. Can you describe for me what you meant 10:57:26  
14 when you drafted that paragraph, please? 10:57:28  
15 A. I think my words there are very clear. 10:57:41  
16 Q. So, is it fair to say that Irico agreed 10:57:51  
17 with the proposal that Chunghwa and Orion 10:57:54  
18 presented -- 10:57:58  
19 MR. LAU: Objection; leading. 10:58:00  
20 BY MR. IOVIENO: 10:58:00  
21 Q. -- with respect to the CPT prices? 10:58:04  
22 MR. KOONS: Objection form. 10:58:06  
23 MR. O'CONNOR: Objection; leading. 10:58:07  
24 THE WITNESS: Yes. It said it is willing 10:58:34  
25 to cooperate as I wrote it in this report. 10:58:47



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1 BY MR. IOVIENO: 10:58:47

2 Q. Okay, I have one final question about 10:59:00  
3 this document relating to paragraph 5 which I'm 10:59:02  
4 just going to read into the record. Paragraph 5 10:59:04  
5 states: 10:59:06

6 "To enhance Irico's interaction and 10:59:07  
7 information exchange with the outside, temporary 10:59:12  
8 agreement was reached that Irico would be invited 10:59:14  
9 to participate in the regular meetings or the 10:59:16  
10 irregular meetings arranged by Orion and CPT in 10:59:19  
11 Hong Kong or Shenzhen." 10:59:24

12 And my question is, similar to the last 10:59:27  
13 one, can you just describe for me what you meant 10:59:30  
14 when you drafted that paragraph? 10:59:33

15 A. I see this paragraph. 11:00:34

16 Q. Can you describe for me what you meant 11:00:35  
17 when you drafted that paragraph, please? 11:00:37

18 A. At that time Irico was still a major 11:01:59  
19 manufacturer of CPTs in mainland China for its 11:02:07  
20 domestic market. It remained quite isolated, 11:02:17  
21 without information or participation to regular 11:02:30  
22 meetings of other major CPT or CRT makers. So it 11:02:42  
23 always took its own action on prices. It had no 11:02:54  
24 reference, no participation. After exchange of 11:03:03  
25 information this time, they could be invited to 11:03:11

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1	attend regular meetings or after every group	11:03:24
2	meeting, either Orion or Chunghwa could give them	11:03:36
3	a briefing of the meeting results in either Hong	11:03:52
4	Kong or Shenzhen.	11:04:00
5	MR. IOVIENO: Is that finished?	11:04:08
6	THE INTERPRETER: Yes.	11:04:09
7	MR. IOVIENO: Thank you, you can put that	11:04:10
8	document aside.	11:04:11
9	MR ROSS: The next is Exhibit 1316,	11:04:12
10	CHU00030985.	11:04:18
11	(Whereupon Deposition Exhibit No. 1316/E	11:04:47
12	was marked for identification.)	11:04:59
13	THE WITNESS: Ready.	11:04:59
14	MR. IOVIENO: Just give me one second,	11:05:00
15	please.	11:05:02
16	BY MR. IOVIENO:	11:05:34
17	Q. Mr. Lu, I've shown you a document	11:05:35
18	that's been marked as Exhibit 1316 and I would	11:05:36
19	ask you to describe for the record what that	11:05:39
20	document is.	11:05:41
21	A. This is a notice sent by Chunghwa	11:06:30
22	headquarters to us to conduct an audit of	11:06:36
23	stoppage in SED Shenzhen.	11:06:45
24	Q. And who drafted this notice?	11:06:57
25	A. Miss Hsieh Chun-Mei.	11:07:05

## HIGHLY CONFIDENTIAL

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1 Q. And did you -- was this notice sent to 11:07:10  
2 you? 11:07:12

3 A. Yes. 11:07:16

4 Q. And did you receive this notice? 11:07:19

5 A. I did. 11:07:22

6 Q. And what is the date of this notice? 11:07:23

7 A. March 31, 2000. 11:07:39

8 Q. Was this notice created in the ordinary 11:07:43  
9 course of business at Chunghwa? 11:07:45

10 A. Correct. 11:07:56

11 Q. Do you believe the contents of this 11:07:57  
12 notice to be true and accurate? 11:07:59

13 A. Correct. 11:08:08

14 Q. Okay, under section 1 it says: 11:08:09  
15 "Theme: issue of assisting audit of SSED 11:08:24  
16 CDT production line shutdown in April of 2000". 11:08:30  
17 Do you see that? 11:08:33

18 A. Yes. 11:09:00

19 Q. Can you describe for me what your 11:09:00  
20 understanding of that sentence is? 11:09:02

21 A. At glass meetings there might be 11:09:51  
22 a resolution on every makers' stoppage, period of 11:09:55  
23 time, periods of time, and SED Shenzhen was 11:10:08  
24 required to stop production maybe for a number of 11:10:13  
25 days in April and Chunghwa was asked to conduct 11:10:17



# **Exhibit 123**



June 20, 2012

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range:  
CHU00029050E - CHU00029051E.

A handwritten signature in black ink, reading 'Abraham I. Holczer'. The signature is written in a cursive style with a horizontal line underneath it.

Abraham I. Holczer

Project Manager



Park

Case

#

29567

[TRANSLATION]

[Fax header illegible]  
[Entire Document Handwritten]

[Illegible] (*File CPT*)  
To Section Chief Du 1/2

CPT Fuzhou Co., Ltd. Sales Department

Customer Contact Report

Contact Date: 6/22 '99

Name of Customer: *CPT MEETING*  
Contact Personnel: *ORION*: Director Moon  
*IRICO*: Manager Li, Manager Sha  
*CPT*: Director Liu, Jing-Song (Jason) Lu

I. *CPT* production status in China:

1. In '99, it is estimated that the 8 major tube makers will produce about 32 million units. Among these: 14"x 3M units (*IRICO* x 2.5M, *BMCC* x 0.5M), 21"x 14.5-15M units (*BMCC* x 2.1M, *HF* x 1.30M, *LG* x 1.5M, *HTC* x 2.6M, *IRICO* x 3M, *Evernew* x 1.5M, *SDD* x 2.1M, *Fortune* x 0.45M), 25"x 8M units, 29"x 6M [Underlined by hand].

2. Export status:

14" x 2.6M units (*IRICO* x 2.2M, *BMCC* x 0.4M)  
21" x 2M units (*SDD* and *LG* as the main. In addition, *HTC*, *BMCC*, *HF*, *IRICO* also have a small amount to export.)  
25"/29" are basically not enough for self-use.

3. '99 China *CTV* production volume is estimated to be around 34-35M.

II. Market status and price increases:

1. Director Liu and Director Moon both explained the status of market supply and demand for 14"/20"/21". Based on the fact that *CDT* has successfully maintained stable prices and that in the second half of the year demand has grown and production capacity has decreased, they asked *IRICO* to cooperate and synchronize the process of 14" *CPT* price increases.
2. *IRICO* explained that the current 14" *CPT* sales price (*ITC* tube) to *VESTEL* [Circled by hand] is @USD 27 and to other customers is @USD 28†. They frankly admitted that their

English words found in the original text are *italicized*.  
Translator's remarks are indicated in brackets [ ].

CONFIDENTIAL – GRAND JURY MATERIAL

CHU00029050E  
Translation

[Illegible] (*File CPT*)

2/2

CONTENTCONTACT ITEMS

pricing is based on their real cost and that they seldom refer to the price of the industry. They also claimed that the reason they sold to Turkey *VESTEL* at such a low price was because *SDD* (Shenzhen) was competing for the orders. (*SDD* Shenzhen produced about 0.3M units of 14" *CPT* during the initial stage after starting production). Since it has a significant ability to self-make accessories materials for 14" *CPT*, there is still some profit with the current sales price.

3. They very much appreciated the market information provided by *CPT* and *ORION* and are willing to cooperate with the move to increase the price of 14" *CPT*, except that July orders have already been received. They are willing to increase the overall price beginning in August. In addition, their basic selling price is slightly lower than that of the big factories by *USD* 1-2. That was understood by everyone.
  4. Their 21" *ITC* export price quote is *USD* 50, which is a little bit low. They were asked to review the price and make an appropriate increase.
  5. To enhance *IRICO*'s interactions and information exchange with the outside, temporary agreement was reached that *IRICO* would be invited to participate in the regular *meetings* or the irregular meetings arranged by *ORION* and *CPT* in Hong Kong or Shenzhen.
- End of report -

Submitted respectfully to the President

[Submitted and Signed:] Employee Jing-Song (Jason) Lu  
6/23 '99

[Initialed:] Y. M. Peng, Jun 24, '99

English words found in the original text are *italicized*.  
Translator's remarks are indicated in brackets [ ].

CONFIDENTIAL – GRAND JURY MATERIAL

CHU00029051E  
Translation

# **Exhibit 124**

**CHINA'S INDUSTRIES IN TRANSITION:  
ORGANIZATIONAL CHANGE, EFFICIENCY  
GAINS, AND GROWTH DYNAMICS**

**JIANG XIAOJUAN  
(EDITOR)**

**Nova Science Publishers, Inc.**  
*Huntington, New York*

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**Office Manager:** Annette Hellinger  
**Graphics:** Wanda Serrano and Dorothy Marczak  
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## Chapter 2

# THE CHINESE TELEVISION INDUSTRY: AN EXAMPLE OF GRADUAL TRANSITION

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This case study on Chinese television industry is intended to refute the basic proposition which lay behind the argument for "big-bang" policy: the government must have a comprehensive reform plan, including freeing trade and prices, privatizing the state sector and so on, in order to successfully accomplish the transition to market economy. I will show that there is no need for the government to have such a plan. It may be even unnecessary for the government to be reform-minded either. Transition to market economy can be accomplished even if the government doesn't have a comprehensive picture of market economy in their mind, nor a clear-cut intention to move to such a system, and keeps on implementing 'market-unfriendly' policies. If it is not the government, then what force drives the economic system towards market economy? What actually is a transition to market economy? Is it just freeing trade, prices, and privatization? These questions will be discussed after a description of the transition process of the Chinese television industry.

## 2.1: THE TRANSITION OF CHINESE TELEVISION INDUSTRY

**Performance.** The prices, production, investment and distribution of television sets and their components were under strict control of the state until 1970s. Then from 1980, some parts of state control were relaxed, but it was not until 1993 that all of the government controls were abolished. The period between 1980 and 1992, therefore, can be characterized as a period of partial reform. Partial reform has been criticized by the proponents of "big-bang" reform that it will cause a severe loss of welfare (Murphy, Shleifer and Vishny, 1992), but let us see the magnificent performance attained during the period of partial reform (See Figure 2-1): The domestic production volume of television sets increased from 2.49 million units (1980) to 28.68 million units (1992); The



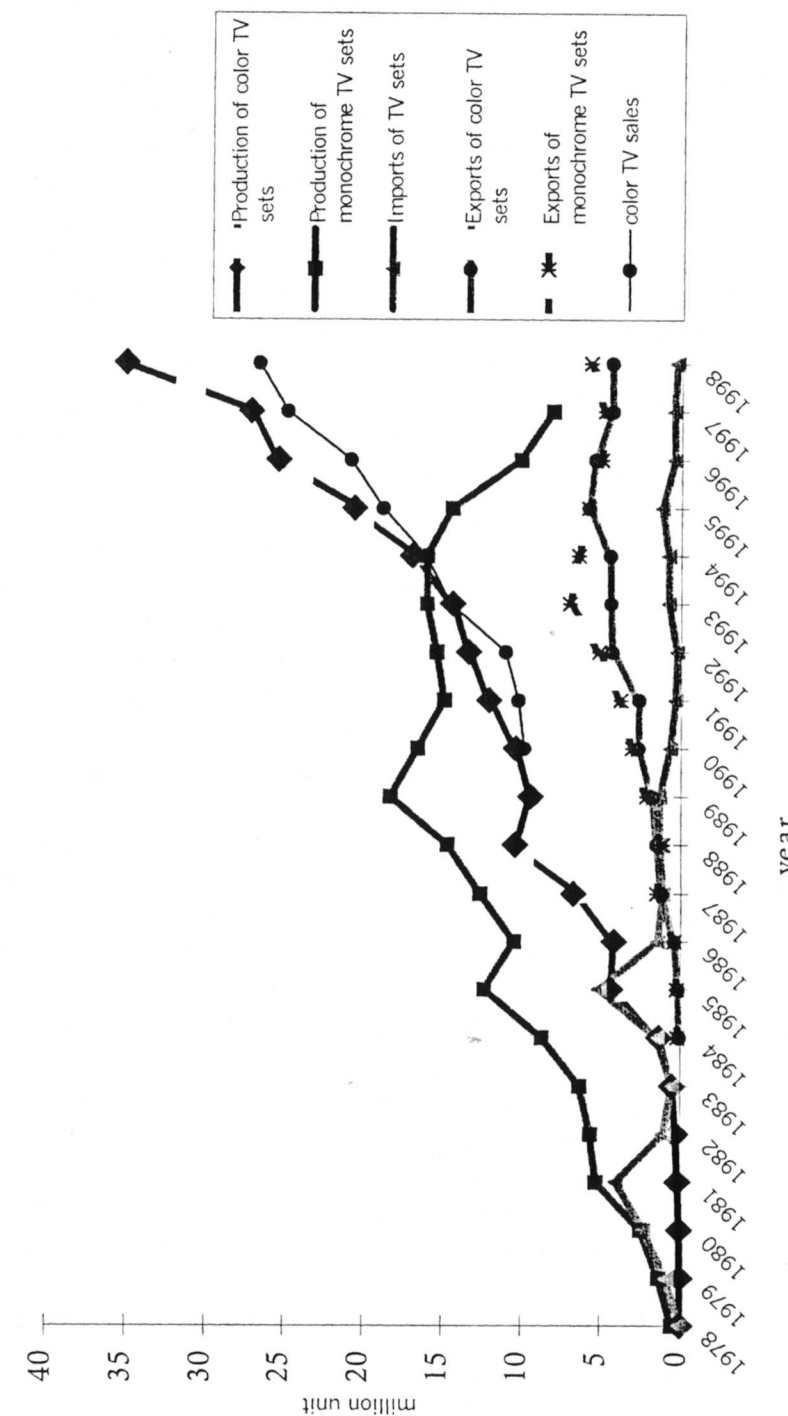
price of a 20 inch color television set was 2,000 yuan in 1980 and 2068 yuan in early 1993, while the general retail price index more than doubled during the same period; In 1980 only a half of urban households had a monochrome television set and only 0.6% of urban households had a color TV set, but in 1992 75% of urban households had color TV sets, which was one of the most prominent indications of the improvement in national welfare. The growth of television production even accelerated after 1993. The domestic television industry not only succeeded in substituting imports but also has become a competitive export industry since the 1990s (Figure 2-1).

**Creation of a Dispersed Market Structure.** The first TV set was produced in China in 1958, but it was not until the 1970s that the government seriously considered of setting up television manufacturing to provide TV sets for the people. After the split with the Soviet Union in 1960, China focused its investments into the creation of military industry and heavy industry base, while ignoring consumer products industry. When the relationship with the Soviet Union had become even tenser in the late 1960s, Chinese Communist Party transferred the central government's authority over many industrial firms to local governments, and expanded local governments' autonomy in finance, investment and the allocation of industrial materials. This was, on the one hand, an attempt to ameliorate the problems caused by an over-centralized planned economy, and on the other hand it was intended as preparation for the war against the Soviet Union. (Ishihara, 1990; Zhou, 1984). In 1970, Chinese leaders divided the country into ten large districts, and planned to let each of them have a complete set of industries, which would make them capable of waging war independently.

Lin Biao, the vice-chairman of Communist Party at that time, insisted that the preparation for the coming war must be given top priority in national policy. Regarding the electronics technology as the key to modernize Chinese military power, Lin called for a "Warfare for electronics [Dianzi dahuizhan]," demanding firms and local governments to start producing electronic goods. Local governments, with their larger autonomy, reacted to this call and set up many factories. Most of them produced electronic parts. The number of electronic factories rapidly increased from 1600 in 1969 to 5200 in 1970, but since the newly set up factories lacked the preconditions and technology to produce useful electronic goods, most of them were shut down in a year or two. The number of factories decreased to 2600 in 1972.

Nevertheless there still remained the problem of overcapacity. Since 1973 the central government tried to utilize the excess capacity of electronics industry by encouraging the firms to produce consumer electronic end products such as radio receivers and TV sets. These turned out to be the first group of entrants into the television industry. The central government tried to plan and guide the development of television production after 1973 (Hao, 1991), but since local governments controlled the firms, the attempt was not successful.

Figure 1: Production, Import and Export, Sales of Color and Monochrome TV sets





Another group of firms began to enter the television industry from the late 1970s. Those were the firms that produced military electronic goods before then. Most of these firms were under the direct control of the Ministry of Electronics Industry at that time.<sup>1</sup> In order to deal with the diminishing demand for munitions, they started to diversify their production by producing consumer goods. Major television makers of today such as Changhong Electric Ltd., Tianjin Tongguang Corporation, Xionghao Electronics Group Corporation were producers of military radars or military radio equipment formerly.

With the local firms, which entered the industry in the early 1970s, and military electronics firms, which entered the industry in the late 1970s, the market structure of television industry was very dispersed in the late 1970s. There were 63 firms producing television sets in 1978, when annual national production of TVs in China was only 0.51 million units, most of which were monochrome TV sets. McMillan and Naughton[1992] emphasized that rampant entry of non-state firms after the reform created competition among firms, but, while acknowledging the importance of entry, it should be noted at the same time that in many Chinese industries including the television industry 'competitive' market structure was the initial condition of reform rather than the outcome of it.

The government at that time, however, didn't regard this market structure as beneficial to the improvement of efficiency. The central government rather regarded that the structure was an indication of duplicative investment, waste of resources, and lack of division of labor, which should be rectified by the government. They tried to reorganize TV makers into a nationwide division of labor by assigning some TV makers to change themselves into component makers. The government also tried to control the import of technology in order to avoid further duplication of investments and to let the industry take advantage of scale economy (Liu 1984, pp.186-191). However, it was difficult for the central government to reorganize the industrial organization since most of the TV makers were local firms. The attempt turned out little results in the case of monochrome TV sets.

But in the case of color TVs, there were only a few manufacturers with limited production capacity at that time (annual production in 1978 was 3800 units). So the central government was able to plan the division of labor and importation of technology for color TVs from scratch. The government appointed three firms in Beijing, Tianjin and Shanghai as assemblers of color TV sets, and imported production lines with annual capacity of 150 to 200 thousand units to each of them from Japanese electronics companies. Cathode-ray tubes (CRTs) for color TV sets were to be produced and supplied nationwide solely by a state-owned factory in Xianyang (Shaanxi Color CRT Works), which was set up by central government's investment. Dandong Tuner Works, which was renovated from a monochrome TV set factory, was designated as the sole supplier of tuners. Flyback transformers were to be produced by two firms located in Beijing and Suzhou (Aoyagi, 1990, Ministry of Machine Building and Electronics

<sup>1</sup> The ministry was called Fourth Ministry of Machine Building at that time and renamed the Ministry of Electronics Industry in the 1980s. From 1988 to 1993 it was merged with another ministry to become Ministry of Machine and Electronics Industry. After 1993, the latter ministry was split into two and the Ministry of Electronics Industry came to existence again. It will be referred to as the 'Ministry of Electronics Industry' or just 'the central government' in this paper.

Industry, 1991). The government intended to set up a color TV industry that was consisted of large scale, specialized and technologically advanced factories with high local content.

But this plan too was frustrated by rampant entry of local firms and military electronics firms into the color TV set production. Given financial autonomy by the reform of 1980, local television firms imported many color TV production lines with the support of local governments, mostly during the period of 1983 to 1985. Military electronics firms also entered the color TV production in the former half of 1980s. In 1986, the number of firms producing color TVs amounted to 75, while production lines with total capacity of 17 million units a year were under construction. This was far more than the expected domestic demand at that time. There were little prospects of color TV exports either, considering the high production costs in China at that time. Moreover the capacity of color TV assembly far exceeded the domestic production capacity of CRTs for color TVs, which was no more than 2 million in the 1980s. In order to keep the color TV assembly lines in operation China had to import a lot of CRTs, which aggravated the chronic trade deficit problem of China in the late 1980s.

The rapid entry of firms was driven by the motivation of state-owned enterprises to increase profits, and for the local governments to increase fiscal revenue. With highly set prices and rapidly growing demand, color TV production would surely generate a big profit to the investor. The central government stipulated that importation of production lines of color TV needed the approval of Ministry of Electronics Industry, but it was difficult for the Ministry to control small investments like color television assembly lines which cost only 1.5 to 7 million US dollars each, especially when they were funded by local governments. Besides, the central government's plan itself had defects. The capacity of Shaanxi Color CRT Works was 0.96 units annually at the first stage, but the capacity of three color TV assemblers only amounted to 0.5 million, leaving a room for others to assemble nearly 0.5 million units of color television. Moreover, the plan meant that the government estimated the domestic demand for color TVs to be 0.5 to 1 million in 1985 but it turned out that the actual demand was far greater than this estimation. Domestic consumption of color TVs amounted to 2.6 million in 1984.

There appeared a surge of imports of production lines of color TVs and other household electrical appliances lines in 1985. The State Council, recognizing the extraordinary situation, imposed a strict restriction on their import, which finally put an end to the surge.

**Liberalizing the prices of monochrome TV sets.** Since the beginning of economic reform, the Chinese government promoted the popularization of television in an attempt to raise the standard of living of the people and also to let them serve as a Party's channel of propaganda to the public. Besides this, in 1979, faced with the problem of monetary overhang, which had been created by overheating investment, the government decided to absorb money from the public by selling consumer durables including TV sets. From that year the production of monochrome television sets expanded rapidly while many TV sets were imported from Japan and Eastern Europe (Fig.1). Ministries of central government and local governments found a lucrative market in import trade of television sets and entered the business without the approval of the trade authority of the central



government. Import of monochrome television went out of control. As a result, more than 1 million TVs were piled up in warehouses in 1980.

Before 1980 the supply of monochrome TV set was chronically insufficient, but suddenly it became an oversupplied commodity. This caused a change in the distribution system of monochrome TV sets. Formerly, consumers had to acquire a rationing ticket, which was distributed to consumers through their workplaces or local communities once in a while, before going to the shop. The ticket stipulates the brand of television set it can afford to buy. This marketing system can work as a means to meet supply and demand for each brand of TV set, only when the consumer who is rationed a ticket will go to buy a TV set with a very high probability. But when supply exceeds demand, this rationing system will no longer work. Since consumers who got the ticket will not necessarily go to buy TV sets, TV makers and shops will have difficulty in selling their products if they only sell to those customers who have rationing tickets. In order to lessen the burden of stockpiles, makers and shops will sell TV sets to whoever comes to buy, regardless of tickets. Thus in 1980, the rationing system of monochrome TVs was abolished and the distribution was liberalized.

Because at that time only a few domestic makers were able to produce good quality TV sets, there appeared a big difference in the sales volume between good producers and average producers after the liberalization. Faced with this situation, the government decided in January 1981 to dissolve the unified price of 12 inch monochrome TVs and introduced price discrimination among different brands. The prices of a few famous makers' TV sets remained tightly controlled, while for TV sets produced by other makers, price supervision bureaus of local governments could set their prices below the official price within the limit of 10%. This policy was expanded in the next year to 14 and 16 inch TV sets and the lower limit was further lowered (WWX, 1986, 1987). Only the local governments and neither makers nor retailers were given the right to set prices.

The purpose of this policy was to promote the sales of average makers by diminishing the price competitiveness of good producers. This policy clearly shows that at least until 1981 the Chinese government didn't think that market competition would have beneficial effects.

From 1984 to 1985, the economy overheated and demand for monochrome TV sets increased rapidly, which brought about sellers' market. Faced with lucrative markets some TV makers sold their products to black-market peddlers who bid higher prices than state wholesalers, while selling second-rate TV sets to state wholesalers or not selling at all to them. This led to the deterioration of the relationship between TV makers and wholesalers. In the latter half of 1985 the government launched an austerity policy, which led the demand for monochrome TV sets to shrink sharply. 2.5 million units of monochrome TV sets were piled up in the warehouses of makers and wholesalers in the next year. This time the wholesalers refused to abide by the contracts with makers, and coerced agency contracts to makers, which imposed marketing risk only on the makers' side. In order to get rid of the huge stockpiles, makers sold their products at low prices. The government lowered the official price and allowed the firms to set prices by themselves if they were lower than official price. Thus the price of monochrome TV sets was virtually liberalized (GDB, November 27, 1986).

**Liberalizing the prices of color television.** Demand for color TV sets was weak in the first half of 1980s because their prices were way above the reach of ordinary citizens. The government tried to stimulate demand by lowering the prices in 1981 and 1982 (See Table 2-1). Since the overheating of economy in 1984 and 1985, demand for color TVs started to grow rapidly in the cities. Especially in 1985 the demand exploded, with import striking 4.99 million units and domestic production 4.3 million units (Fig.1). Since the latter half of 1985, the government restricted the import of color TV sets, which led to the aggravation of shortage after 1986.

Before describing the market situations after 1986, let us take a look at the process of distribution of TV sets. There were three routes of distribution. In the first route (A of Fig.2), state wholesalers in the makers vicinity (a) buy TV sets from makers, then TV sets are resold to the provincial wholesalers of consuming area (c), and then they are resold to city or county level wholesalers (d) and finally to retailers. This was the orthodox distribution system under planned economy. In the 1980s Ministry of Electronics Industry set up wholesalers (b) and joined the first stage of the above route (B). Besides these, in the post-reform era, makers started to skip the state wholesalers and sell directly to wholesalers or retailers of the consuming place (C), or even directly to consumers (D).<sup>2</sup> Until 1980 makers had to sell their products only through route A, but since 1980, in theory makers and state wholesalers became equal trading partners and makers were given the right to choose partners. However in practice wholesalers (a) and (b) could exercise their administrative power to force the makers to sell them as many TVs as they wanted (ZDB, September 6, 1987). In the retailing of color TV sets, a distribution system using rationing tickets, which I described earlier, was maintained until early 1990s.

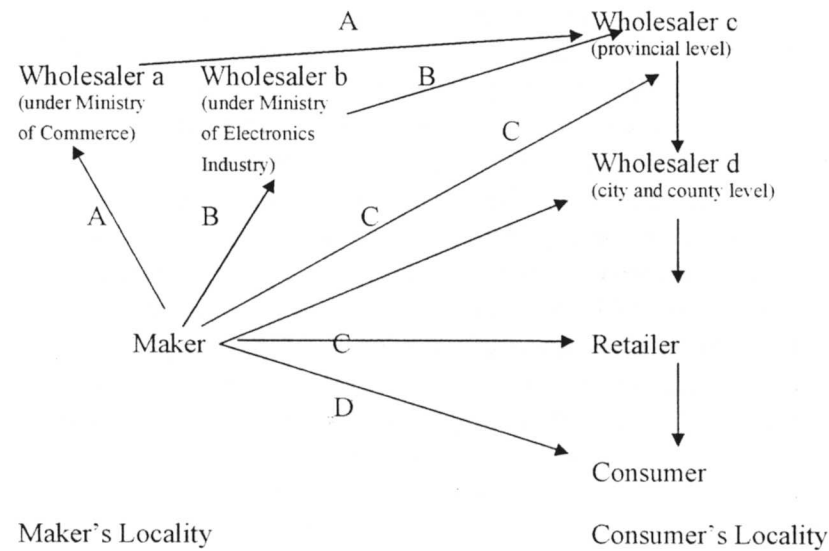
Because of the rising income of urban households, severe shortage of color TV sets appeared after 1986. Rationing tickets were sold in black markets at several hundred yuan. Even having rationing tickets, it was difficult to afford a color TV set through normal channels, because state wholesalers sold TV sets which they obtained through official distribution channels to black markets. While in the supply side, official prices of color TV sets remained unchanged since 1982 while the production cost rose sharply because of the rising wages and the rising import prices of CRTs caused by the devaluation of yuan. In 1987 many TV makers ran in the red. The official prices were so low that it discouraged the makers to produce TV sets, while causing excess demand on the other hand. Thus in 1988, the government dissolved the unified prices of color TV sets and introduced 'float pricing,' which allowed local authorities to raise the prices of TV sets sold in their locality within the limit of official price plus 20% (Table 2-1). Prices of nine popular brands were set 30 to 50 yuan higher than other brands (ZWN, 1989). Although this policy stimulated the makers to produce more, the gap between supply and demand even widened since rampant inflation in 1988 led the consumers to a buying spree. The black market price of an 18 inch color TV set rose above 3000 yuan while the official price was 1700 yuan. TV sets were delivered out of provinces where price

<sup>2</sup> According to GDB, November 27, 1986, in the former half of 1986, 52.8% of total sales of monochrome and color TV sets were sold through route A, 39.6% through route C, 5.2% through route D and 2.5% were exported. Route B is not mentioned in this source.



supervision was strict into provinces where black markets were overlooked. Makers, wholesalers and retailers of normal channels were not allowed to raise prices by their own, therefore they tried to earn rent by tie-in sales, demanding rebates, or selling to black markets. TV makers were motivated by the rent to expand production, but expansion was constrained by the supply of CRTs, the allocation of which was monopolized by the government. TV makers sought to procure CRTs outside the allocation, and thus black market of CRTs emerged (Wang Bingwu, 1988; *JJCK*, January 21, 1989).

**FIGURE 2 THE DISTRIBUTION PROCESS OF TV SETS**



Source: By the author. Chen Daisun (ed.) *Zhongguo jingji baike quanshu*, [Encyclopedia of Chinese Economy] (Beijing: Zhongguo Jingji Chubanshe, 1991) pp.670-671, pp.679-680; *ZDB*, September 6, 1987; *GDB*, November 27, 1986.

In January 1989, the government, in order to eradicate black market, announced a new policy, which restricted the distribution of color TVs only to state wholesalers and retailers who were given licenses by the government. The prices were fixed to the upper limit of 'float prices,' while the right to set prices was again monopolized by the central government. Besides this, special consumption tax of 600 yuan and 'localization development fund' (a kind of tax) of 300 yuan for each purchase of color TV set (it was altogether 500 yuan for 14 inch TVs) were introduced in order to check the extraordinary surge of demand (Table 2-1).

**Table 2-1 Prices of domestic color TV sets**

	Before July 1981	July 1981	Dec. 1982	April 1985	May 1988	Jan. 1989	March 1990	July 1992	Jan. 1993
	Revision of official price	Revision of official price	Revision of official price	Enforcement of supervision	Introduction of float pricing	Introduction of special tax	Revision of price and tax	Retail price in Chongqing	Retail price
14 inch	1,400	1,200	998	998	998-1,190 (+500)	1,190 (+100)	1,250	1,180	1,150
20 inch	2,000	1,800	1,500	1,500	1,500-1,900 (+900)	1,900 (+100)	2,100	1,830	2,068
22 inch	2,200	2,000	1,700	1,700	1,700-2,100 (+900)	2,100 (+300)	2,300	2,060	2,350
18 inch				1,330	1,330-1,700 (+900)	1,700 (+300)	1,900	1,790	1,800
21 inch with flat-squared CRTs						2,700* (+550)	2,250	2,200	

(Source): Official prices are from WWX [1986]; ZWN [1989, 1990, 1991] Retail prices are from the author's field survey.

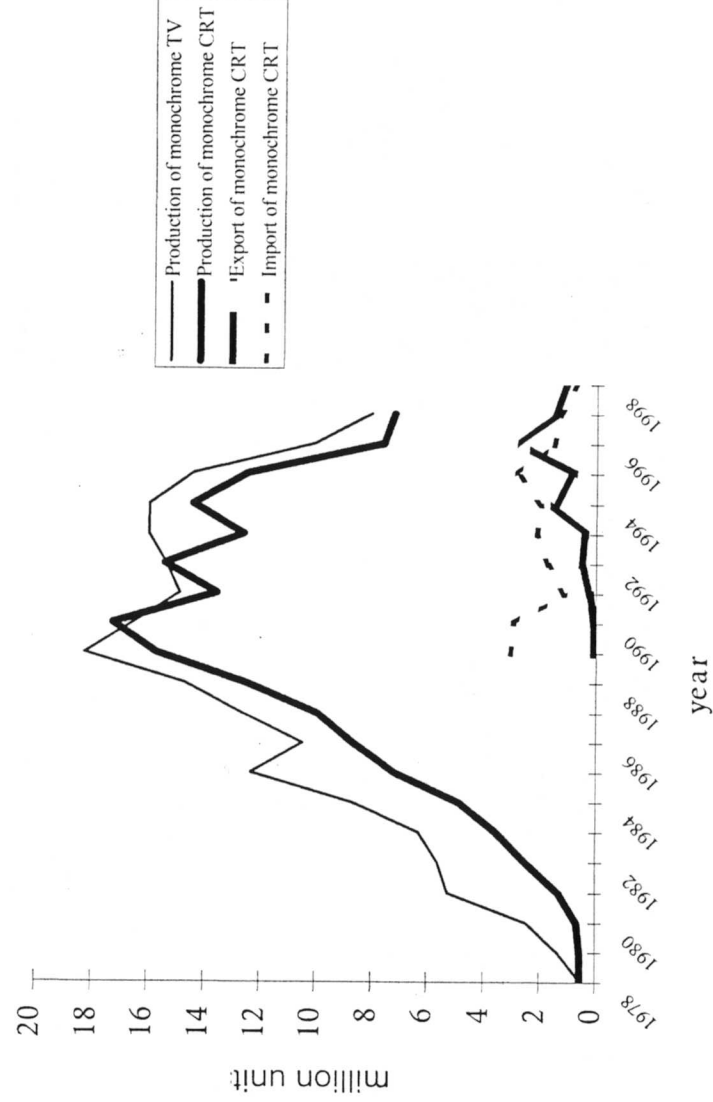
Notes: 1. The prices until March 1990 indicated in the table are 'official retail prices at producer's locality.'

2. TVs with additional functions were priced higher. This table indicates the prices of the most basic model.

3. The figures in the parenthesis indicate special consumption tax plus 'localization development fund.' The 'fund' was abolished before March 1990.

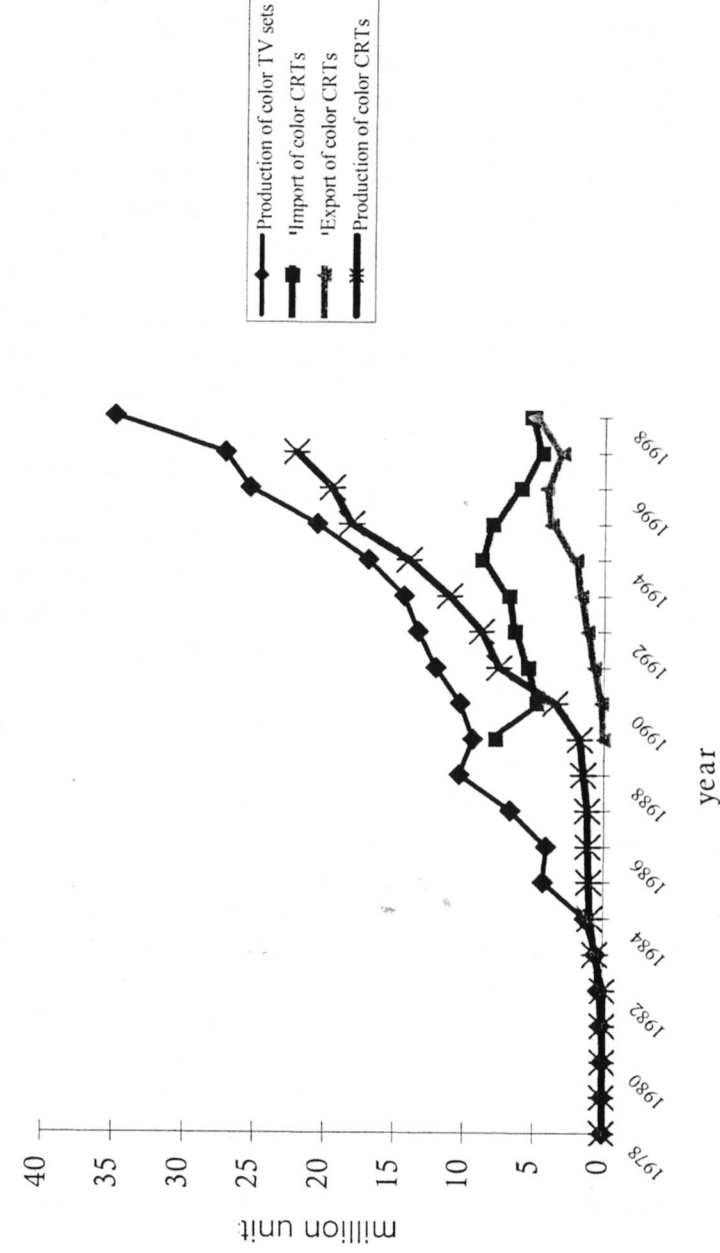
4. \* The official price of 21 inch color TVs before March 1990 was 2400 yuan, plus 900 yuan of tax and fund.

Figure 3: Production, Import and Export of Monochrome CRTs



(Source) Same as Figure 1

Figure 4 Production, imports and exports of color CRTs



(Source) Same as Figure 1



These restrictive measures and taxes, together with the austerity policy since the autumn of 1988, which affected the expectations of the people towards inflation, cooled down the buying spree of consumers. Since May 1989, sales of color TVs suddenly stopped and makers were flooded with stockpiles. In August a state-owned TV maker named Changhong Electric Ltd., stranded with 200 thousand units of stockpiles, lowered their selling price by 350 yuan without the permission from the government. Changhong's sales grew, but this act infuriated the other makers. They demanded the government to punish Changhong. However, faced with shrinking demand, it was inevitable to reduce price. Fifty days later the government reduced the official price of color TV sets (ZDB, June 2, 1991). Even with this price-cutting, the demand didn't recover and makers began to suffer from low operation and increasing costs. Thus in March 1990, the official retail prices of color TVs were lifted by 5 to 12%, while 'localization development fund' was abolished and special consumption tax reduced. Retail prices including tax were reduced by 50 to 600 yuan (Table2-1). Local governments were ceded the right to set the price within the limit of 10% plus or minus the official price.

The demand, however, shrank further, because consumers expected that there would be more discounts. In 1991, domestic production of color TVs stood at 12.05 million units, while domestic sales was only 5.42 million and export was 2.6 million. With stockpiles amounting to 4 million units, makers and wholesalers ignored the price regulation and started to discount (ZWN, 1991; CD, August 30, 1992). In some districts, 18-inch TV sets, the official price of which was 1900 yuan (plus 300 yuan of special consumption tax), were sold at 1200 yuan. Thus in 1991 the prices of color TVs were virtually liberalized. Although the prices were out of control, the government still insisted on controlling them. In April 1992, the government let the 'China Audio-visual Association' set 'standard prices' of color TVs, but this had no effect.<sup>1</sup>

As in the case of monochrome TV sets, oversupply of color TV sets led to the abolishment of rationing tickets, and local governments, in order to promote sales of TVs, ceased to levy special consumption tax on them since around 1990, before it was formally abolished in April 1992 (JJRB, April 8, 1992; ZDB, April 15, 1992). Moreover, the distribution route of color TVs changed dramatically. State wholesalers (a) and (b) (See Fig.2), who forced TV makers to provide TV sets in the 1980s, voluntarily stopped forcing the TV makers, because TV set trade was no more profitable. Makers had to pave their way to the market by themselves. Since wholesalers and retailers in consumers' locality had more information on the market, makers strengthened their approach to them, and thus route C became the main route of distribution. Wholesalers (a) and (b) had no function of transmitting market information or sharing the risk of makers. They were just rent seekers using their administrative power to grab a share of the rent that accrued from the shortage of color TV sets. When the rent disappeared under excess supply, these wholesalers voluntarily threw away their administrative power and left the TV trade. During the period of shortage, makers had no rights to select their trade partners, but that

<sup>1</sup> From interviews with officials of Changhong Electric Ltd., July 2, 1992; ZDB April 17, 1992, August 21, 1992; JJRB, January 15, 1992.

also meant that they didn't have to worry about marketing. Some makers didn't even have a marketing division. But since the market changed into excess supply, makers started to establish marketing divisions and put a large proportion of their resources into marketing.<sup>2</sup> TV makers started to put stress on consumer relations and advertising, while making efforts to turn up with new products.

**Liberalization of production.** As we have seen in the former section, prices of color TVs were liberalized in 1991, and those of monochrome TVs in 1986. It was not enough, however, to create real competition, because central planning regulated the production volume of each maker. The regulation was not abolished until 1991 in the case of color TV sets, and until 1990 in the case of monochrome TV sets. The reason why the government could hold control on production while its control on investment had been so weak was because CRTs, the most important component of TVs, were in short supply and the central government monopolized the allocation of them.<sup>3</sup> The Ministry of Electronics Industry held meetings twice a year gathering TV makers and CRT makers to determine the allocation plan of CRTs of the following period. Based on each maker's capacity and production plan the Ministry determined who sold how many CRTs to whom. After this meeting, makers directly traded with each other according to the plan. The government also determined the price. Occasionally some TV makers might actually buy less than the plan. In those occasions CRT makers were allowed to sell to other TV makers.

The shortage of CRTs was caused by small domestic production compared to the domestic production of TVs (See Fig.3, 4), and the restriction on the import of CRTs. If TV makers wanted more CRTs than allocated, they had to resort to black market trade or smuggling, which cost the makers dearly. The government could hold control of TV production as long as there was excess demand for CRTs, which was caused by excess demand for TVs. As duplicated imports of color TV production lines was regarded as a major policy failure, the Ministry of Electronics Industry tried to recover this failure by using their power over TV makers, which accrued from the monopoly of CRTs, as a means to adjust the dispersed structure of color TV industry. In 1985, the Ministry of Electronics Industry nominated 58 firms as "qualified color TV makers (*Dingdian chang*)", to which they gave the rights to receive allocation of CRTs. The unqualified makers were to be eradicated. However, since there were smuggling and black market of CRTs, more than 30 unqualified TV makers survived until the 1990s.<sup>4</sup> To restrict the number of makers to 58 still seems to be too many, since most of them are now facing difficulty to survive under the current international and domestic competition. But because the Ministry of Electronics Industry had to care for the interests of each province and other ministries, the Ministry didn't have a freehand to qualify makers. In the list of

<sup>2</sup> From interviews with officials of Fujian-Hitachi Television Ltd., September 18-19, 1992; ZDB August 30, 1991.

<sup>3</sup> Other important components, such as flyback transformers and tuners, were also centrally allocated until 1989. The allocations of these components, however, were unimportant to the makers, because there were many makers of these components and the supply was no more in shortage in the latter half of 1980s. Setting up these factories needed much less investment than CRTs.

<sup>4</sup> From interviews with officials at the Ministry of Machine and Electronics Industry, February 25, 1993.



58 qualified makers, we find that almost every province, including poor provinces with only small markets, had at least one qualified maker. The Ministry neither had freehand on the allocation of CRTs. They had to let all qualified makers to have a share of the lucrative color TV market. These facts indicate that the central allocation of CRTs and the nomination of qualified makers worked as a protective policy of inefficient makers rather than being a measure to reorganize the dispersed structure.

The production of CRTs for monochrome TV grew rapidly after 1984, when many plants were imported and set up. In 1986, when the sales of monochrome TV sets sharply declined, production volume of CRTs became very close to that of monochrome TVs (See Fig. 3). In this year, as we have seen before, oversupply of monochrome TV sets had led to the liberalization of their prices. It also weakened the demand for CRTs, and as a result, the prices of CRTs for monochrome TV were also liberalized. Sales of monochrome TV sets, however, recovered in the next year, and so did the demand for CRTs, therefore central allocation of them was maintained.

But during the economic stagnation after 1989, the demand for monochrome TV sets diminished sharply, which led to the drop of the production of monochrome TV sets (See Fig. 1). Thus the demand for CRTs also shrank. On the other hand, production of CRTs grew, which led to the oversupply of CRTs in 1990. Because the TV set market was stagnant, it was difficult for the TV makers to buy CRTs according to the allocation plan. This made CRT makers to lose confidence in the allocation plan, and they started to pay more attention on direct contracts with TV makers. In 1991, the government ceased to make allocation plans, and the 26 monochrome CRT makers were thrown out in the market economy, which resulted in a fierce competition. Under the sellers' market before 1989, CRT makers would take on an opportunistic attitude towards buyers, breaching contracts and schedules of delivery. Now in the buyers' market, it was hard to recover the trust of buyers, so the CRT makers had to resort to discounts in order to promote sales. The price of 17-inch monochrome CRT, which was 350 yuan around 1987 and 1988, declined to 110 yuan in 1991. Under the fierce competition, some makers started to diversify to monitor displays, or expanded exports<sup>5</sup>.

The central allocation of CRTs for color TV also collapsed during the stagnation after 1989. As we have seen before, CRTs for color TV were in severe shortage until 1988, with only one maker in China. But since 1989, Beijing-Matsushita Color CRT Ltd. and other companies started their operations, which boosted the supply. In 1991, domestic production of color CRTs was almost enough to supply for the color TV sets produced for domestic sales (See Fig.4). While in the same year demand for color TV sets plunged, causing oversupply of CRTs. In the summer of 1991, trades of 18-inch color CRTs were in effect liberalized.<sup>6</sup>

Nevertheless, the Ministry of Electronics Industry tried to hold control on color TV production. The Ministry regarded that, in order to eliminate the oversupply of color TV sets, the number of makers had to be reduced. In the summer of 1991, the Ministry

<sup>5</sup> From interviews with officials at Wuxi Electric Tube Works, September 10, 1993.

<sup>6</sup> From interviews with officials at Beijing-Matsushita Color CRT Ltd., September 16, 1992; interviews at Fujian Hitachi Color Television Ltd., September 18-19, 1992.

ranked the 58 qualified makers into three groups. Five makers were ranked A, and another 7 or so were ranked B, which would enjoy preferential treatment in the allocation of CRTs and finance. The rest of the qualified makers were ranked C, which were encouraged to change business, and among them 16 makers would not receive allocations of CRTs any more.<sup>7</sup> This policy shows the government's intention to select the 'proper' firms to be left by means of the allocation of CRTs, a policy measure of planned economy, rather than leaving it to the market to decide who should survive.

But it is impossible to use the allocation as a means to adjust the market structure when supply exceeds demand: the preferential firm who receives a large amount of CRTs may not be able to use them all because the firm faces fierce competition in TV set market. In that case, CRT makers will sell those CRTs which the preferential makers failed to buy to other 'unpreferential' TV makers. It is also impossible to adjust the allocation plan, which is made every half year, to fit to the ever-fluctuating market structure. Thus, even though the government may manage to make allocation plan, it will be unreliable to the CRT makers and TV makers.

In 1992, Changhong Electric Ltd. and Shaanxi Color CRT Works, who were the most influential state-owned TV and CRT makers, signed a contract of CRT trade, without waiting for the government to make the allocation plan. Other makers followed this practice, and eventually the government gave up making allocation plan in that year. No allocation plans were made after this, with the exception of 29-inch color CRTs, which were in short supply for some more years.

**Competition among TV makers.** The abolishment of allocation plan opened up a free competition among TV set makers, which led to a major change in the market structure. There were 57 qualified makers and more than 30 unqualified makers in the early 1990s, each of which having a small market share with their own brand. After seven to eight years of competition, only 15 out of 57 qualified makers keep on producing with their original brand names today, and the rest either became subsidiaries of other makers or just stopped producing TV sets. At the same time, many new makers were established after 1992, and some have become top makers. Besides this, major household electrical appliance makers of Japan, Korea and Europe have entered the market by establishing joint ventures with some declining domestic makers. And to make the competition even fiercer, imported color TV sets have become cheaper. The Chinese government restricts imports of TV sets by quota and high tariff, but smuggling became rampant in the 1990s. The amount of smuggled color TV sets is estimated to be 3.5 million sets in 1995, 2 million sets in 1996, one million sets in 1997, five to six times more than official import figures (ZDB, March 10, 1998).

Because of entry of many new TV makers and imports, color TV set industry as a whole has a huge amount of over-capacity. According to the national industrial census in 1995, the capacity of color TV production was 44.7 million units annually, while the actual production of the same year was 20.6 million. Production volume reached 32.7 million in 1998, but there still remains unutilized capacity of more than 12 million units.

<sup>7</sup> From interviews with officials at Ministry of Machine and Electronics Industry, February 25, 1993; CD, July 11, 1991.



Through competition, some makers expanded their share to such level which had been unimaginable during the days when CRTs were allocated. Table 2-2 shows the concentration indexes of top TV makers. The first row indicates Herfindahl's coefficients<sup>8</sup> calculated from the market shares of top 20 makers, and the second row shows the coefficients calculated from top 48 makers. From 1986 to 1989, as many color TV makers started operation, the concentration index declines, but since 1989, the index shows a tendency to rise. From Table 2-3, we can see that the market share of top ten makers has increased to 80% since 1996.

**Table 2-2 Market Concentration Indexes to the top makers  
(Herfindahl's coefficient)**

Year	1986	1989	1990	1991	1992	1993	1994	1995	1996	1997
Among top 20 makers	0.060	0.056	0.057	0.059	0.085	0.073	0.086	0.089	0.096	0.103
Among top 48 makers		0.030	0.032	0.035	0.055	0.051				

(Source): Calculated by the author from the data of ZDGN and ZDB.

There have been many changes in the TV market since free competition began in 1992. In 1993 and 94, as we can see from Table 2-3, Japanese brands, such as Matsushita (Panasonic) and Sony, had large shares. Then in 1996, Changhong Electric Ltd. cut the prices of its products by 8 to 18%, triggering a price war among domestic TV makers (ZDB, April 16, 1996; May 16, 1997). This helped Changhong to expand its market share from around 10% in 1995 to 20.5% in 1996, and 25% in 1997, and to expand its production from 2.9 million color TV sets in 1995 to 4.8 million in 1996, 6.7 million in 1997 and 9.3 million in 1998. The share of domestic brands as a whole also expanded from 73.6% in 1995 to 81.5% in 1998, while Japanese brands' share diminished (ZDB, April 30, 1999).

**New entrants.** Even with severe over-capacity and competition still there are many new entrants in color TV market. There emerged several new TV makers in Guangdong since 1993. Among them the most successful must be TCL Group of Huizhou city. TCL was first established as a telephone equipment maker and entered the color TV production in 1993. In the beginning TCL relied on a factory located in Huizhou city that was owned by Hong Kong's Changcheng Electronic International Ltd. for the production of color TV sets, and TCL didn't produce TV sets by itself. TCL just put their brands on the color TV sets bought from this factory and sold them to the domestic market.

<sup>8</sup> We calculated Herfindahl's coefficient by  $HI_n = \sum (S_i / \sum S_i)^2$ ,  $n=20, 48$ .  $S_i$  denotes the sales volume of firm  $i$ . The increase of this coefficient means market concentration to small number of firms.

**Table 2-3 Market shares of top color TV brands**

Brand	Maker	1993	1994	1996	1997	1998
Changhong	Changhong Electric	4.2	5.0	20.5	25.0	33.7
Konka	Kangjia Electronic	13.4	11.0	12.2	15.1	13.7
Haier	Haier Group	-	-	-	-	7.9
TCL	TCL Group	-	-	6.2	9.5	7.8
Panda	Panda Group	11.2	11.0	4.6	3.9	5.6
Hisense	Haixin Electronic	1.9	-	-	3.1	5.6
Gaoshida	Guangdong Gaoshida	-	-	-	-	3.6
RGB	Chuangwei-RGB	-	-	-	4.4	2.6
Philips	Suzhou Philips, imports	-	-	-	4.5	2.4
Matsushita	Shandong Matsushita, imports	10.7	14.7	13.3	6.7	2.3
Sony	Shanghai Suoguang, imports	-	3.5	5.5	-	2.3
Toshiba	Dalian Toshiba, imports	2.1	-	4.2	-	2.1
Jinxing	Shanghai Guandong	4.2	3.7	2.7	4.5	2.0
Xodeco	Xiahua Electronic	3.3	-	2.7	3.8	2.0
Beijing	Tianjin Tongguang Company	5.4	4.0	7.1	-	-
Share of top ten brands		56.5	52.8	79.0	80.5	85.2

(Source): The data for 1993 and 94 are from ZSTN for 96, 97, 98 from ZDB.

This factory owned by Changcheng was a factory to assemble TV sets for export. This type of operation, which falls into the category of "export processing and assembling," may enjoy a privilege to import the parts and components without paying customs duty, if all of its products are exported. Because of this tax exemption, the factory of Changcheng must be able to produce color TV sets much cheaper than other domestic companies. TCL, in order to sell domestically the TV sets assembled by the factory, set up a nominal joint venture with Shaanxi Color CRT Works, which had a license to sell color TV sets to the domestic market, and sold the color TV sets through this joint venture (Institute of Industrial Economics, 1998, pp.394-395). It was not until 1996 that TCL acquired its own factory by buying another factory in Shenzhen. TCL, utilizing its price competitiveness, initiated a price war in 1998 along with Kangjia<sup>9</sup> of Shenzhen, and became the third largest color TV producer in China next to Changhong and Kangjia in 1998, producing 2.8 million units of color TV sets that year (ZDB, April 30, 1999).

Shenzhen's Chuanwei(Skyworth)-RGB Electronic Ltd. is also a new maker that was established in 1994. Chuanwei also made use of its price competitiveness and entered the top ten makers in 1998. Besides these companies of Guangdong, major makers of other household electrical appliances entered the market. Haier Group, a major maker in

<sup>9</sup> Kangjia was a Sino-Hong Kong joint venture established in 1979. It became a listed company in 1992, and the Hong Kong partner that established Kangjia sold most its shares to mainland-related companies in Hong Kong.



refrigerators, washing machines and air-conditioners in China, entered color TV market in 1997 by relying on Hefei Huangshan Electronics Ltd., a state-owned color TV maker in Anhui province, for producing color TV sets (*ZDB*, December 11, 1998). Haier, taking advantage of its brand image and its retailer network, expanded its market share in a short period (See Table 2-3). Chunlan Refrigerating Equipment Co. Ltd., a major air-conditioner and vacuum cleaner maker in China, also entered color TV market in 1998 by putting production out to two state-owned color TV makers in Wuxi and Tianjin (*ZDB*, August 20, 1999).

While these new entrants expanded their shares, most of the qualified makers in the 1980s disappeared from the scene. Let us look at the fate of the aforementioned top five makers in early 1990s that were ranked A by the Ministry of Electronics industry in 1991. Shanghai No.1 Television Works was merged with two other large state-owned TV makers of Shanghai, and they formed Shanghai Guangdian Group. The three firms ranked No. 1, No.2, and No.3 in 1986 in the sales ranking of the whole electronics industry, but during the 1990s, Shanghai Guangdian Group gradually lost its share in the color TV market. Shanghai Guangdian still occupies No.3 in the sales ranking of electronics industry, but a substantial share of their sales comes from their joint ventures with Sony, Sharp and JVC. Beijing Mudan Group is a company formed by the merger of two state-owned TV makers of Beijing, both of which having the longest experience in producing TV sets in China, which dates back to the early 1970s. Beijing Mudan was always in the top ten before 1994, but it disappeared from the list since then. Tianjin Tongguang Corporation, which is also the oldest TV maker in China, turned itself into a joint venture with Samsung of Korea in 1994. Xiongmao Electronics Group Corporation, or Panda Group, is running in the red since 1997. The only enterprise among the five that received preferential treatment in the early 1990s that still shows vitality is Changhong.

Among the 57 qualified makers in the early 1990s, 19 enterprises became subsidiaries or subcontractors of domestic companies. Qingdao's Haixin acquired 3 of them, while both Kangjia and Changhong acquired two (*ZDB*, various issues). Six former qualified makers turned themselves into a joint venture with foreign companies in order to elicit financial and managerial assistance from the foreign partners. There is no record of production on another 19 former qualified makers. It is very likely that they stopped producing color TV sets.

It has always been the government's wish to reorganize the electronics industry into a small number of competitive firms since the late 1970s. As we have seen in this section, the government, in an attempt to let the industry concentrate, used policy measures such as appointing color TV production bases, allocation of CRTs, and ranking the TV makers. Ironically enough, it was only after the government lost control on the industry and gave up these measures that concentration started. It also turned out that most of the enterprises that the government selected as preferential ones were uncompetitive when they faced real competition.

**Price wars.** Since Changhong opened up a price war in 1996, price wars happened almost every year. The war in 1997 was initiated by Guangdong's Korowa, which started selling cheap color TV sets. In 1998, Kangjia and TCL started selling a series of cheap

color TV sets, triggering another round of price war (*ZDB*, April 30, 1999). In November 1998, Changhong suddenly declared that they already bought 70% of domestically produced color CRTs, which they secretly started buying from summer, in order to monopolize more than 50% of domestic color TV market. This action, coinciding with the government's crackdown on smuggling of color CRTs, led to the shortage of color CRTs and rises of their prices (*ZDB*, December 1, 4, 1998). Changhong's challenge to dominate the domestic market failed, however. From April 1999, Changhong, in order to get rid of huge stockpiles, started to reduce the prices of its color TV sets by 15% in average, which led to another price war. The government issued The decree on banning unfair price competition in color TV sets and color CRTs," in order to stop the dumping and monopolistic behaviors of Changhong and other makers (*ZDB*, April 15, 1998). It is noteworthy, however, that Changhong and other companies entered into a price war just a week after this decree took effect.

The price war in color TV market led to the collapse of CRT prices. A 21-inch color CRT cost 980 yuan in 1996, but it fell below 500 yuan after price war broke out in April 1999. With two million units of stockpiles, color CRT makers ran in the red. In June 1999, eight major color CRT makers, including sino-foreign joint ventures, made a joint declaration to stop operation for a month to cease the collapse of CRT prices (*ZDB*, May 4, 1999). At the moment (February 2000), the price war in color TV market is still continuing. In January 2000, Changhong, in order to attack some of its rivals, sold 21-inch color TV sets at the price of 990 yuan in Qingdao.

Because the basic reason of price wars is over-capacity and over-production, it won't cease until some makers stop producing TV sets. The exit process in China is much slower than ordinary market economy, because loose implementation of bankruptcy law allows enterprises to keep on operation even when they are insolvent. Color TV makers can postpone payments to the CRT makers until they have sold their TV sets by drawing bills. And CRT makers in turn can postpone payments for their materials and bank loans. Therefore it is possible to continue producing TV sets for a while even when there are no sales of TV sets. There were four rounds of price wars since 1996, but there still remain more than 90 makers that produce color TV sets in China at present.

Undoubtedly, price wars have brought about a huge increase in consumer welfare. From Table2- 4, we can see that the price of a 21-inch color TV set fell 60% in ten years since 1989. TV makers also competed in the variety and quality of products and after-sales service, further enhancing consumer welfare. In this sense we can say that the transition to market economy of Chinese television industry was a success. But, at the same time, it is true that many people in Chinese television industry and the government are worried about the future of the industry. Price wars may force all enterprises to get into the red, depriving them of the ability to improve technology. The Chinese government still may not call the transition a success, because no maker has become a world giant yet.



Table2-4 Retail price of 21-inch color TV

Year	Yuan
1989	3300
1990	3250
1992	2400
1994	2972
1995	2835
1996	2386
1997	1798
1998	1650
April 1999	1280

(Source): ZDB, various issues

## 2.2: UNDERSTANDING TRANSITION

With the rapid growth of production, a constant decline of prices, and improvement in quality, we can fairly judge that the transition of Chinese television industry was a success. This experience, I believe, tells us many things about transition.

**It is not necessary for the government to have a comprehensive reform plan.** Proponents of “big-bang” insisted that there must be a reform-minded government that has the capability to implement reform thoroughly and a comprehensive reform plan in order to make the transition successful (See, for example, Lipton and Sachs, 1990). But in the story of Chinese television industry, we cannot find a reform-minded government, nor comprehensive reform plan, and the government’s capability was limited. Rather, most of the Ministry of Electronics Industry’s policies on television industry since the reform reflected their intention to maintain and strengthen their control on production, price and distribution. The plan to create a nationwide division of labor for color TV production in the early 1980s, the policy to qualify color TV makers since 1985, the central allocation of CRTs and the tightening of price and distribution control in 1989 are the examples of “market-unfriendly” policies. We can see from the policies that whenever the government faced some kinds of problems, they always thought that planning and control might lead to a better solution than just leaving it to the market.

This is not say, however, that all of the Chinese government’s policies after the reform were anti-market. Delegations of rights to local governments and enterprises, price reforms, and enterprise reforms have market orientations. The Communist Party’s decision on the establishment of “socialist market economy” in 1993 may be regarded as a comprehensive reform plan. But the study of television industry tells us that when the comprehensive plan appeared the process of transition was already in its final stage. It is noteworthy that major breakthroughs in transition proceeded during the period which the conservatives became politically powerful, propagating anti-liberalization or planning-oriented ideologies, namely 1986, 1989 to 1991.

We can say that the decentralization and reforms provided the precondition of transition, but the liberalization of prices and production, the most conspicuous mark of transition, were not the act of the government. It was the oversupply of products that forced the government to abandon its control on price and production.

**Institutional changes under surplus economy.** When we review the transition process of monochrome TV sets, color TV sets and CRTs, we find a common pattern as follows: (1) Decentralization induces rampant entry to the industry, which boosts the production capacity of the industry; (2) The macroeconomic austerity policy leads to oversupply and overcapacity of the product. Oversupply makes it difficult and meaningless for the government to hold control on price and production. If the period of oversupply lasts long enough the government will give up its attempt to resume control, and prices and production will be liberalized; (3) At the same time, the distribution system of planned economy collapses. Firms start to develop distribution networks among themselves, which will be more efficient than the system of planned economy.

The emergence of oversupply is the dividing ridge in transition. In a shortage economy, price liberalization will lead to inflation, liberalization of distribution may lead to rampant rent-seeking activities, and the liberalization of the allocation of materials may also lead to inflation or a contraction in the production of end products. Therefore there is a reason for the government to control prices, distribution and the allocation of materials. For example, the rationing system of TV sets using tickets can be regarded as a measure for the equal distribution of products. If the price elasticity of supply is small, the repression of prices and rationing system may increase consumer surplus.

But after the emergence of oversupply, these controls lose their meanings. Price controls become difficult and meaningless, since the prices start to decline. If the materials of production also turn into oversupply, central allocation of them will lose its meaning and collapse. It will become very difficult to earn profit just by changing hands, so the rent-seekers will voluntarily leave the business, and the makers will acquire full autonomy in marketing. The makers will be liberalized from restrictions on production and marketing, but it means that the makers have to pave their way to the market by themselves under unfavorable market conditions. Makers will be pressed to open up marketing routes that will expand their sales and transmit the information of the market most effectively. Makers need to establish their reputation as reliable suppliers, by abiding by contracts and delivery schedules, providing after-sales services, if they want to expand sales. After the collapse of the allocation of materials, makers must find a way to ensure the supply of materials by themselves, and to find the most efficient and reliable material maker. The new networks of distribution of end products, the new relationships between materials suppliers and vendors, and the customs of business, including the most efficient way of payment, which will be developed among enterprises, are the institutions that make market economy work efficiently. Interviews with TV set makers and CRT makers reveal that the formation of these new institutions, or to use the term by McMillan and Naughton (1992), institutional tatonnement, was a time-consuming and troublesome process. These institutions will only be developed by the voluntary action of enterprises. Enterprises will be most likely to take action during the period of oversupply.



The creation of these institutions will help to make the transition process irreversible. Because, by the creation of an efficient distribution network, makers will be sensitive to the changes in market, and the creation of an efficient network of materials and components suppliers will increase the price elasticity of supply of industries. Therefore, with the exception of such products as agricultural products that may be affected by weather, it is unlikely that the shortage of supply will emerge many times in the future. Even if shortage should appear in some sectors, it is unlikely that the distribution system of planned economy will be restored, because it will be less efficient than the existing distribution network.

The creation of the above institutions is an important part of transition. Market economy, unlike the model that is described in textbooks of microeconomics, consists not only of free prices and free trade, but also of various institutions among economic entities.

## Transformation of Shortage Economy to a Surplus Economy

### 1. Preconditions.

Not everything in planned economy is in short supply. Shortage and oversupply coexist in a planned economy. Oversupply in some industries in planned economies, however, will not initiate the transition to market economy. In the case of Chinese electronics industry, the oversupply of electronic parts in the early 1970s did not lead to their liberalization. In both the former Soviet Union and China, the machinery industry usually had huge amounts of production capacity during the era of planned economy, but the industry didn't transfer into market economy. Some preconditions are necessary for oversupply to initiate a process of transition.

First, firms must have the incentive to increase profits or diminish deficits. Otherwise, firms won't care much even if there is no market for their products, and they won't take the trouble to create new institutions. Therefore, decentralization and enterprise reform are the necessary conditions of transition.

Secondly, demand must have price elasticity. If the price level has no relation with demand, the seller won't cut the price even under oversupply. And if cutting prices and cutting distribution costs have no relation with the amount of sales, firms may not cut prices and seek new distribution channels, and destroy the system of planned economy.

The second precondition tells us why the process of transition won't start from capital goods industry. The demand for capital goods is not so elastic, because it mostly comes from state-owned enterprises, which are under soft-budget constraints. By contrast, consumer demand is price elastic even in planned economies. Especially in the case of non-staple consumer goods, such as durables, price elasticity is always quite large. Therefore, under the condition that firms have incentives to increase demand, the oversupply of durables may easily lead to price competition, and hence price liberalization.

### 2. The creation of surplus economy

In a planned economy, consumer goods are usually in short supply but their prices are high. Therefore by giving firms and local governments incentives and autonomy, investments to the consumer goods industry can be attracted quite easily. Hence the production capacity of consumer goods may expand quickly. But the surge of investments to consumer goods industry may lead to the expansion of aggregate demand, aggravate the shortage of capital goods, and even trigger inflation. Therefore, after successfully increasing investments to consumer goods industry, the government is often forced to adopt macroeconomic retrenchment policy. Retrenchment policy will lead to the oversupply of some consumer goods, which eventually will lead to liberalization of prices and production. After several cycles of overheating and retrenchment, more and more products will come out of shortage. Liberalization of consumer goods industry will stimulate the development of related capital goods industry. The capital goods industry will also, after several cycles of overheating and retrenchment, come out of shortage. Since 1995, almost every industry in China has been facing the problem of over-capacity and over-production. This means that China has already turned into a 'surplus economy.' In real-life market economy, not the market economy in textbooks, surplus capacities and surplus products are very commonplace. It seems, however, the present problem of over-capacity in China is severer than ordinary capitalist economy. The reason of this is that the exit process of inefficient firms is retarded.

It should be noted, however, that the above course of transition is not without risks. Liberalizing investment under distorted prices may lead to the aggravation of shortage of inputs, which may result in little expansion in the actual capacity of consumer goods industry. Furthermore, if we liberalize not only entry but also exit, then the supply of capital goods, which are usually priced low, may be reduced by exit of firms from capital goods industries, which makes the shortage even more serious. Therefore, in process of transition, the government must make efforts to ameliorate the imbalance between various industrial sectors. To relieve the bottlenecks of development, the government can make direct investments, or promote investments, strengthen control by using plans and rectify the distorted price structure. These measures, it is true, are not 'market-oriented,' but these, by helping the economy to get rid of shortage, will prepare the preconditions for the economy to move to a surplus economy.

The proponents of "big-bang" also insist the necessity to reform "shortage economy," but they only talk about suppressing the excess demand and don't talk about stimulating investment and increase supply. They think that stimulating investments under distorted price structure will necessarily aggravate the imbalance of industrial structure. But the Chinese experience tells us that by stimulating investments the imbalance of industrial structure can be improved, and the shortage of consumer goods can be ameliorated. Suppression of excess demand may be necessary, but if there is no increase in supply at the same time, it will lead to the contraction of production and reduce the welfare of the people.

The proponents of "big-bang" believe that without the rectification of distorted price structure by a reform-minded, clever and powerful government, market economy cannot develop healthily. But market economy is something more robust. It can develop even



under distorted prices and interference of the government. The main actors that create market economy are the firms and consumers, not the government.

The government, however, can enhance the function of markets. The current peril of Chinese television industry is caused by the slow exit process of inefficient enterprises. Loose and unclear bankruptcy rules, slow state-owned enterprise reforms and underdeveloped social security system are the reasons that cause the slowness. The government can enhance the effect of market competition by creating rules and systems.

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# **Exhibit 125**



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THE STATE COUNCIL  
THE PEOPLE'S REPUBLIC OF CHINA

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# Price Law of the People's Republic of China

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## Chapter I General Provisions

**Article 1** This Law is enacted with a view to standardizing the price acts, giving play to the role of price in the rational allocation of resources, stabilizing the overall price level of the market, protecting the lawful rights and interests of the consumers and operators and promoting the sound development of the socialist market economy.

**Article 2** This Law shall be applicable to price acts taking place within the territory of the People's Republic of China.

The prices referred to in this Law include the prices of commodities and the prices of services.

The prices of commodities mean the prices of all kinds of visible products and invisible assets. The prices of services mean collection of fees for all kinds of paid-for services.

**Article 3** The State practises and gradually perfects the price mechanism shaped mainly by the market under macroeconomic regulation and control. Determination of prices shall be in line with the law of value, prices of most commodities and services shall be the market-regulated prices and prices of an extremely small number of commodities and services shall be the government-guided prices or the government-set prices.

Market-regulated prices mean those prices determined autonomously by the operators and formed through market competition.

The operators referred to in this Law mean the legal persons, other organizations or individuals engaging in the production and management of commodities or provision of paid services.

Government-guided prices mean those prices determined to guide the operators by the competent departments of price of the government or other departments concerned, the baseline prices and their range of fluctuations in accordance with the pricing authority and scope in pursuance of the provisions of this Law.

Government-set prices mean those prices determined by the competent departments of price of the government or other departments concerned in accordance with the pricing authority and scope in pursuance of the provisions of this Law.

**Article 4** The State supports and promotes fair, open and lawful market competition, maintains normal price order and carries out administration, supervision and necessary regulation and control over price activities.



## SERVICES

Article 5 The competent department of price under the State Council shall be uniformly responsible for the work related to prices nation wide. Other departments concerned under the State Council shall be responsible for the work related to prices concerned within their respective functions, responsibilities and scope.

The competent departments of price under local people's governments at or above the county level shall be responsible for the work related to prices within their respective administrative areas. Other departments concerned under local people's governments at or above the county level shall be responsible for the work related to prices concerned within their respective functions and responsibilities.

## **Chapter II Price Acts of the Operators**

Article 6 Market regulated prices shall be practised and determined autonomously by the operators in pursuance of this Law for commodity prices and services prices except those to which government-guided prices and government-set prices shall apply pursuant to the provisions of Article 18 of this Law.

Article 7 The operators shall, in determining prices, abide by the principle of fairness, being in conformity with law, honesty and credibility.

Article 8 Production and management costs and market supply and demand situation shall be the fundamental basis for the determination of prices by the operators.

Article 9 The operators shall exert efforts to improve the administration of production and management, reduce the cost of production and management, provide commodities and services for the consumers at reasonable prices and gain lawful profits in market competition.

Article 10 The operators shall, in accordance with their management conditions, establish and perfect internal price control system, accurately record and verify the production and management costs of commodities and services and must not indulge in fraudulent practices.

Article 11 The operators have the following rights in the conduct of price activities:

- (1) autonomous determination of prices under market regulation;
- (2) determination of prices within the range prescribed by government guided prices;
- (3) determination of prices for trial sale of new products within the scope of products of government-guided prices and government-set prices with the exception of specific products; and
- (4) report or filing a charge against acts infringing on his/her right of autonomous determination of prices in accordance with law.

Article 12 The operators shall, in conducting price activities, abide by laws and regulations, and observe the intervention measures and emergency measures of government-guided prices, government-set prices and legal prices determined in accordance with law.

Article 13 The operators shall, in selling, procuring commodities and providing services, display the clearly marked price in accordance with the provisions of the competent departments of price of the government, annotate relevant information such as the name, place of manufacture, specifications, grade, unit of price calculation and price of a commodity or the services item and rates.

The operators shall not sell commodities with additional price besides the marked price and shall not collect any fee not indicated.

Article 14 The operators shall not commit the following unfair price acts:

(1)manipulation of market price in collusion to the detriment of the lawful rights and interests of other operators or consumers;

(2)dumping at the lower-than-the-cost price and disrupting the normal production and management order to the;

(2)dumping at the lower-than-the-cost price and disrupting the normal production and management order to the detriment of national interests or the lawful rights and interests of other operators for the purpose of squeezing out other competitors or of sole occupancy of the market in addition to the disposal of such commodities as fresh and living commodities, seasonal commodities and overstocked commodities at reduced prices in accordance with law;

(3)concoction and spreading of price-hike information, jacking up prices and pushing up over rise in commodities prices;

(4)luring consumers or other operators to conclude transactions with it by employing falsified or misleading price means;

(5)practising price discrimination towards other operators with identical trading conditions in providing identical commodities or services;

(6)procuring, selling commodities or providing services at prices raised or reduced in disguised form by adopting such means as raising or lowering the grade;

(7)seeking exorbitant profits in violation of the provisions of laws and regulations; and

(8)other unfair price acts prohibited by laws and administrative regulations.

Article 15 All types of intermediate agencies shall abide by the provisions of this Law in the collection of fees in providing paid-for services. Where laws have other provisions, the relevant provisions shall be observed.

Article 16 The operators shall abide by the relevant provisions of this Chapter and maintain the order of the domestic market in selling import commodities and procuring export commodities.

Article 17 Industries organizations shall abide by price laws, regulations and strengthen price self-discipline and accept the guidance in the work by the competent departments of price of the government.

### **Chapter III The Government's Pricing Act**

Article 18 The government may enforce government-guided prices or government-set prices when necessary for the prices of the following commodities and services:

(1)the prices of an extremely small number of commodities vital for the development of the national economy and people's life;

(2)the prices of a small number of commodities the resources of which are rare or short;

(3)the prices of commodities under natural monopoly management;

(4)the prices of essential public utilities; and

(5)the prices of essential non-profit services.

Article 19 The pricing catalogs of the Central Government and local governments shall be the basis for the pricing authority and specific applicable scope of government-guided prices and government-set prices.



The Central Pricing Catalog shall be compiled and revised by the competent department of price under the State Council and published upon approval of the State Council after submission.

Local Pricing Catalogs shall be compiled by the competent departments of price of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government in pursuance of the pricing authority and specific applicable scope provided for in the Central Pricing Catalog and published upon examination and finalization of the competent department of price under the State Council after the verification and approval of the people's governments at the corresponding level.

Local people's governments at all levels below people's governments of the provinces, autonomous regions and municipalities under the Central Government shall not compile pricing catalogs.

Article 20 The competent department of price and other departments concerned under the State Council shall determine the government-guided prices and government-set prices in pursuance of the pricing authority and the specific applicable scope provided for in the Central Pricing Catalog; among which the government-guided prices and government-set prices of the prices of essential commodities and services shall be submitted to the State Council for approval in accordance with provisions.

The competent departments of price and other departments concerned of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government shall determine the government-guided prices and government-set prices for implementation in their respective areas in pursuance of the pricing authority and specific applicable scope provided for in Local Pricing Catalogs.

Municipal and county people's governments may, in accordance with the authorization of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government and in pursuance of the pricing authority and specific applicable scope provided for in Local Pricing Catalogs, determine the government-guided prices and government-set prices for implementation in their respective areas.

Article 21 Determination of the government-guided prices and government set prices shall be based on the average costs of society and market supply and demand situation of relevant commodities or services, requirements of national economic and social development and tolerance of society and difference in prices in procurement and marketing, wholesale and retail, regions and seasons shall be followed.

Article 22 Competent departments of price and other departments concerned of the government shall, in determining the government-guided prices and government-set prices, conduct price and cost survey and solicit the views of the consumers, operators and the quarters concerned.

When the competent departments of price of the government conduct price and cost survey of the government-guided prices and government-set prices, the units concerned shall truthfully report the information and provide necessary account books, documents as well as other materials.

Article 23 The system of testimony shall be established under the chairmanship of the competent departments of price of the government to solicit the views of the consumers, operators and the quarters concerned to authenticate its necessity and feasibility in determining the government guided prices and government-set prices of the prices of public utilities, prices of nonprofit services and prices of commodities under natural monopoly management which involve the vital interests of the masses.

Article 24 The government-guided prices and government-set prices shall, upon determination, be released by the department determining the prices to the consumers and operators.

Article 25 The specific applicable scope and price level of the government-guided prices and government-set prices shall be adjusted at an appropriate time in the light of the economic performance and in pursuance of the pricing authority and procedures provided for.

The consumers and operators may come up with proposals for adjustment of the government-guided prices and government-set prices.

#### **Chapter IV Regulation and Control of Overall Price Level**

Article 26 Stabilization of the overall market price level constitutes an important macro-economic policy goal of the State. The State determines the regulatory goals of the overall market price level on the basis of the requirements of the development of the national economy and tolerance of society, integrate them into the national economic and social development plan and bring about their realization through comprehensive employment of monetary, fiscal, investment, import-export and other policies and measures.

Article 27 The government may establish essential commodities reserve system and establish the price regulatory fund to regulate prices and stabilize the market.

Article 28 To keep up with the requirements of price regulation and administration, the competent departments of price of the government should establish the price monitoring system to monitor the change in prices of essential commodities and services.

Article 29 The government may bring into effect the protective prices in procurement when the market purchasing prices of such essential farm produce as food grains and other produce are too low, and adopt corresponding economic measures to guarantee its realization.

Article 30 When there is a marked rise in the prices of essential commodities and services or there exists the possibility of a marked rise, the State Council and people's governments of the provinces, autonomous regions And municipalities directly under the Central Government may take such intervention measures as restricting the price differential ratio or profit ratio, prescribe the restricted price, practise the price rise submission system and the price adjustment record system with respect to part of the prices.

People's governments of the provinces, autonomous regions and municipalities directly under the Central Government shall, in adopting the intervention measures prescribed in the preceding paragraph, submit the same to the State Council for the record.

Article 31 When drastic fluctuations and other abnormal conditions occur in the overall market price level, the State Council may take emergency measures of temporarily concentrated pricing authority, partial or comprehensive price freeze nationwide or in parts of the regions.

Article 32 Upon elimination of the circumstances for the implementation of the intervention measures and emergency measures in pursuance of the provisions of Articles 30 and 31 of this Law, the intervention measures and emergency measures shall be lifted in time.

#### **Chapter V Price Supervision and Inspection**

Article 33 The competent departments of price of people's governments at or above the county level shall conduct supervision and inspection over price activities in

accordance with law and impose administrative sanctions against law-breaking acts in price in pursuance of the provisions of this Law.

Article 34 The competent departments of price of the government may, in conducting price supervision and inspection, exercise the following powers:

- (1) inquire the interested party or the person involved and demand that he/she provides testimonial materials and other information relating to law-breaking acts in price;
- (2) inquire into and duplicate the account books, invoices, vouchers, documents and other materials relating to law-breaking acts in price, and check the bank information relating to law-breaking acts in price;
- (3) investigate the properties relating to law-breaking acts in price, and may order the interested party to suspend the relevant business when necessary; and
- (4) may register for safekeeping in advance under circumstances that the evidences may be destroyed and lost or may be difficult to obtain later, the interested party and the person involved must not transfer, conceal or destroy the same.

Article 35 When subject to the supervision and inspection of the competent departments of price of the government, the operators should truth fully provide the account books, invoices, vouchers, documents and other materials necessary for supervision and inspection.

Article 36 Functionaries in charge of price of government departments must not use the materials or information obtained in accordance with law for any purposes other than price control in accordance with law and must not divulge the business secrets of the interested party.

Article 37 Consumer organizations, price supervision organizations of workers and staff members, neighborhood committees, villagers' committees and other organizations as well as the consumers have the right to conduct social supervision over price activities. The competent departments of price of the government should give full play to the supervisory role of the masses in price.

Media units have the right to exercise supervision over price through public opinion.

Article 38 The competent departments of price of the government should establish the reporting system of law-breaking acts in price.

All units and individuals have the right to report on law-breaking acts in price. The competent departments of price of the government should give encouragement to the informants and be responsible to keep the secret for the informants.

## **Chapter VI Legal Liability**

Article 39 Any operator who fails to implement the government-guided prices, government-set prices and legal price intervention measures and emergency measures shall be ordered to make a rectification, confiscated of the illegal gains and may be concurrently imposed a fine of less than five times of the illegal gains; where there is no illegal gains, a fine may be imposed; where the circumstances are serious, an order shall be issued for the suspension of business operations for consolidation.

Article 40 Any operator who commits any of the acts listed in Article 14 of this Law shall be ordered to make a rectification, confiscated of the illegal gains and may be concurrently imposed a fine of less than five times of the illegal gains; where there is no illegal gains, a warning shall be administered and a fine may be imposed; where the circumstances are serious, an order shall be issued for the suspension of business operations for consolidation, or the business license revoked by the agency of industry and commerce administration. In the case of separate provisions of relevant

laws on penalties and penalty authorities for acts listed in Article 14 of this Law, the provisions of relevant laws may be observed.

Acts listed in Item (1) and Item (2) of Article 14 of this Law national in nature shall be confirmed by the competent department of price under the State Council; those of the provinces and below the provinces regional in nature shall be confirmed by the competent departments of price of people's governments of the provinces, autonomous regions and municipalities directly under the Central Government.

Article 41 Any operator who causes consumers or other operators to pay more prices for illegal price acts should refund the portion overpaid; where damage has been caused, liability for compensation shall be borne according to law.

Article 42 Any operator who violates the provision of clearly marking prices shall be ordered to make a rectification, confiscated of the illegal gains and may be concurrently imposed a fine of less than RMB 5,000 Yuan.

Article 43 Any operator who has been ordered to suspend relevant business operations but does not suspend the operations, or transfers, conceals and destroys properties registered for safekeeping in accordance with law shall be imposed a fine of more than 100% less than three times of the relevant business revenue or of the value of the properties transferred, concealed or destroyed.

Article 44 Whoever refuses to provide information required for supervision and inspection in accordance with the provisions or provides false information shall be ordered to make a rectification and administered a warning; whoever fails to make a rectification on expiry of the specified time period may be imposed a fine.

Article 45 Local people's governments at all levels or the departments concerned of people's governments at all levels that violate the provisions of this Law, overstep the pricing authority and scope in determining and adjusting prices without authorization or fail to implement the legal price intervention measures and emergency measures shall be ordered to make a rectification and may be criticized in a circular; the person-in-charge held directly responsible and other persons directly responsible shall be given administrative sanctions according to law.

Article 46 Any functionary in charge of price who divulges state secrets, business secrets and abuses power, indulges in self-seeking misconducts, neglects duties, extorts and accepts bribes constituting a crime shall be investigated of the criminal liability in accordance with law; where a crime has not been constituted, sanctions shall be imposed according to law.

## **Chapter VII Supplementary Provisions**

Article 47 Fee collection by state administrative agencies should be effected in accordance with law, items for fee collection put under stringent control and scope of fee collection and rates restricted. Specific control measures for fee collection shall be worked out separately by the State Council.

Provisions of relevant laws and administrative regulations apply to interest rates, exchange rates, premium rates, and securities and futures prices, and this Law shall not be applicable thereto.

Article 48 This Law shall enter into force as of May 1, 1998.

*(All information published in this website is authentic in Chinese. English is provided for reference only.)*

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# **Exhibit 126**

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION**

IN RE: CATHODE RAY TUBE (CRT)  
ANTITRUST LITIGATION,

THIS DOCUMENT RELATES TO:

*ALL INDIRECT PURCHASER ACTIONS*

Case No. 3:07-cv-05944-JST

MDL No. 1917

**EXPERT REPORT OF DONALD CLARKE**

**March 16, 2022**



1. I have been retained by defendants Irico Group Corp. and Irico Display Devices Co., Ltd. (“Irico”) in the current action to provide an opinion about a pricing regulatory framework in China involving color cathode ray tubes (“CRT”) and color televisions (“TV”) and certain documents related thereto.
2. I am currently a Professor of Law and the David A. Weaver Research Professor at the George Washington University Law School. From 1988 through 2004, I was on the faculty of the University of Washington School of Law (“UWLS”), and I have been a visiting professor at New York University Law School, University of California at Los Angeles School of Law, and Duke Law School. From 1995 to 1998, I was on a leave of absence from UWLS and worked as an attorney at Paul, Weiss, Rifkind, Wharton & Garrison (“Paul, Weiss”), a large United States law firm with a substantial China business practice. During that period, I visited China and Hong Kong approximately twice a year in the course of my work, a substantial amount of which was related to China. From 1998 through 2003, I regularly worked with Paul, Weiss as a consultant on Chinese law matters. Since that time I have maintained an independent consulting practice.
3. I have published widely in the field of Chinese law; a full copy of my curriculum vitae including a list of publications is attached hereto as Appendix 1. I am fluent in Mandarin Chinese (speaking, reading, and writing). I am being compensated for my work at my customary hourly rate of \$1,050 per hour. This compensation is in no way connected to the outcome of this litigation.
4. I graduated *cum laude* from Harvard Law School in 1987, where my studies focused on East Asian legal systems and I served as an editor of the *Harvard Law Review*. I earned a graduate degree (M.Sc. with Honours) in the Government and Politics of China from the School of Oriental and African Studies at the University of London in 1983. I also studied Chinese history for two years at Beijing University and Nanjing University in China from 1977 to 1979. I earned my undergraduate degree from Princeton University in 1977.
5. I have served as adviser or consultant on Chinese law matters to a number of bodies, including the Asian Development Bank, the Agency for International Development, and the World Bank’s Financial Sector Reform and Strengthening Initiative. I have testified on aspects of the Chinese legal system before the Congressional-Executive Commission on China and the United States-China Economic and Security Review Commission. In 2005, I was appointed to the Academic Advisory Group to the US-China Working Group of the United States Congress. I was admitted to practice in the State of New York in 1988, and am a member of the Council on Foreign Relations.
6. I have been asked to provide an opinion on the following matters:
  - a. Whether the following documents attached to this report (the “Pricing Documents”) are genuine and authentic:<sup>1</sup>

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<sup>1</sup> In order to avoid confusion, the document names in English in this list are exactly as they appear in the translations by Park IP Translations with which Irico’s counsel has supplied me and which will be before the court, even if I might have translated them somewhat differently myself.

- i. Notification of the State Planning Commission and the State Economic and Trade Commission regarding Issuing “Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products” and Strengthening Price Self-Discipline of Industries (国家计委、国家经贸委关于发布《关于制止低价倾销工业品的不正当价格行为的规定》和加强行业价格自律的通知), issued Nov. 16, 1998, effective Nov. 25, 1998 (the “1998 Notice,” attached as Appendix 2);
- ii. Notification of Reporting Cost Information for Color TV and Color CRT Industry (关于报送彩电、彩管行业成本资料的通知), Feb. 3, 1999 (the “1999 Reporting Notice,” attached as Appendix 3);
- iii. Circular of the State Development Planning Commission on Issuing the Measures for Determining the Cost of Low-price Dumped Industrial Products (Trial) (国家计委关于印发《低价倾销工业品的成本认定办法（试行）》的通知), issued Feb. 23, 1999, effective March 1, 1999 (the “March 1999 Circular,” attached as Appendix 4);
- iv. Notification that the State Planning Commission and the Ministry of Information Industry print and distribute Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs (国家计委、信息产业部印发关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法的通知), issued March 15, 1999, effective April 1, 1999 (the “April 1999 Notice,” attached as Appendix 5, with an additional copy attached as pages IRI-CRT-00031461 through IRI-CRT-00031464 of Appendix 6<sup>2</sup>);
- v. Notification of Publishing Industrial Average Production Costs for Some Types of Color CRTs and Color TVs (关于发布彩色显像管、彩色电视机部分品种行业平均生产成本的通知), April 2, 1999 (the “April 1999 Cost Notification,” attached as Appendix 7, with an additional copy attached as pages IRI-CRT-00031466 through IRI-CRT-00031467 of Appendix 6);
- vi. Notification of Publishing Industrial Average Production Costs for Some Types of Color TVs (关于发布彩色电视机部分品种行业平均生产成本的通知), Aug. 25, 2000 (the “August 2000 Cost Notification,” attached as Appendix 8);
- vii. Notification of Publishing Industrial Average Production Costs for Some Types of Color CRTs (关于发布彩色显像管部分品种行业平均生产成本的通知), Sept. 13, 2000 (the “September 2000 Cost Notification,” attached as Appendix 9).

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<sup>2</sup> Appendix 6, which I understand to be produced from Irco’s files, appears to be a bound copy of the April 1999 Notice and April 1999 Cost Notification, combined with various cover pages, routing slips, and a newspaper clipping.

- b. The legal status of the regulatory framework constituted by the Pricing Documents.
- 7. My conclusions, as set forth in more detail below, are as follows:
  - a. Based on details below regarding the origin of some of the Pricing Documents, I believe the Pricing Documents to be genuine and authentic.
  - b. The regulatory framework constituted by the Pricing Documents has the status of enforceable law in the Chinese legal system.

#### **Authenticity of the Pricing Documents**

- 8. In order to verify the authenticity of the Pricing Documents, I independently searched available online resources, including Chinese government websites and Chinese publications. I also reviewed the documents themselves for indicia of reliability based on my knowledge of and experience with Chinese laws and regulations.
- 9. In terms of content and structure, the Pricing Documents are similar to many documents of a similar nature that I have seen over the course of my studies of Chinese law.
- 10. Unlike regulations issued by the U.S. federal government, regulatory frameworks implemented by Chinese government ministries are not always regularly published or codified in an official legal code or register. The State Council, the institution at the apex of what may loosely be analogized to China's executive branch of government, issues a publication called the State Council Gazette many times a year. The State Council Gazette publishes some (but not all) documents issued by the State Council itself, including regulations of various kinds, and some (but not all) documents issued by ministries and equivalent-level bodies under the State Council, also including regulations of various kinds. The ministries and equivalent-level bodies typically do not have this kind of regular publication. To the best of my knowledge the State Planning Commission and its successor bodies have never had such a publication.
- 11. An example of the unsystematic nature of publication can be seen in the fact that whereas the 1998 Notice of the State Planning Commission was, as discussed below, published in the State Council Gazette, other documents relating to the same regulatory framework issued by the State Planning Commission or its successors were not, even though they can be found on some other official government websites.
- 12. For the specific reasons explained below, I conclude that the Pricing Documents are genuine and authentic:
  - a. The 1998 Notice: I was able to independently confirm the existence of this document by finding it in the State Council Gazette.<sup>3</sup> It is also posted on the official website of the Development and Reform Commission of Guangdong Province in China, a regional arm of the National Development and Reform Commission,<sup>4</sup> which is the successor agency to the State Planning Commission

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<sup>3</sup> STATE COUNCIL GAZETTE (国务院公报), No. 3, 1999 (Feb. 26, 1999), at 83, <http://www.gov.cn/gongbao/shuju/1999/gwyb199903.pdf> [<https://perma.cc/H4UP-GJQH>].

<sup>4</sup> [http://drc.gd.gov.cn/gfxwj5633/content/post\\_861015.html](http://drc.gd.gov.cn/gfxwj5633/content/post_861015.html) [<https://perma.cc/UD5E-GS8T>].

that jointly issued the 1998 Notice. The content of the 1998 Notice found in the State Council Gazette and on the official website of the Development and Reform Commission of Guangdong Province appears identical to that of the notice attached as Appendix 2.

- b. The 1999 Reporting Notice: I have not been able to independently procure a copy of this document on my own; the copy attached as Appendix 3 has been supplied to me by Irico's counsel. It appears to me to be genuine, based on its appearance, format, and content, which is consistent with other Chinese ministry regulations I have seen in the past. I also note that the 1999 Reporting Notice bears a seal labeled "Electronic Industry Archives" along with a copy number (2017049). I am informed by counsel that this document is a certified copy obtained from the Electronic Industry Archives maintained by the Chinese Ministry of Industry and Information Technology in Beijing, China.<sup>5</sup> Assuming that to be true, I believe the document to be a genuine and authentic copy of a notification issued by the Ministry of Information Industry.
- c. The March 1999 Circular: I was able to independently confirm the existence of this document by finding it on the official website of the Development and Reform Commission of Guangdong Province in China.<sup>6</sup> The content of the March 1999 Circular found on the official website of the Development and Reform Commission of Guangdong Province appears identical to that of the notice attached as Appendix 4.
- d. The April 1999 Notice: I was able to independently confirm the existence of this document by finding it on the official website of the Development and Reform Commission of Guangdong Province in China.<sup>7</sup> The content of the April 1999 Notice found on the official website of the Development and Reform Commission of Guangdong Province appears identical to that of the notice attached as Appendix 5, as well as the copy produced from Irico's files, bearing the Bates stamp IRI-CRT-00031457 *et seq.* and attached as Appendix 6, at pages IRI-CRT-00031461 through IRI-CRT-00031464.
- e. The April 1999 Cost Notification: I was not able to find a copy of the complete text of this document independently of the copies supplied to me by Irico's counsel. The copy produced from Irico's files bearing the Bates stamp IRI-CRT-00031457 *et seq.* and attached as Appendix 6 includes at IRI-CRT-00031459 a photocopy of what purports to be a newspaper clipping reproducing the text of the April 1999 Cost Notification from page 1 of the April 13, 1999 issue of a Chinese industry newspaper called the China Electronics News (中国电子报). It was a common practice for Chinese government ministries to publish rules in national newspapers, and to do so in an industry newspaper would be quite normal. Therefore, the presence of a contemporaneous newspaper clipping tends to

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<sup>5</sup> The Ministry of Industry and Information Technology is the successor ministry to the Ministry of Information Industry, which originally issued the 1999 Reporting Notice.

<sup>6</sup> [http://drc.gd.gov.cn/gfxwj5633/content/post\\_861460.html](http://drc.gd.gov.cn/gfxwj5633/content/post_861460.html) [<https://perma.cc/7GT2-XEAE>].

<sup>7</sup> [http://drc.gd.gov.cn/gfxwj5633/content/post\\_861921.html](http://drc.gd.gov.cn/gfxwj5633/content/post_861921.html) [<https://perma.cc/KER3-PFPL>].

confirm the authenticity of the April 1999 Cost Notification. What purports to be a photocopy of The April 1999 Cost Notification also appears in Irico's files at IRI-CRT-00031466 through IRI-CRT00031467. An additional copy of this document, attached as Appendix 7, bears a seal labeled "Electronic Industry Archives" along with a copy number (2017048). I am informed by counsel that this document is a certified copy obtained from the Electronic Industry Archives maintained by the Ministry of Industry and Information Technology in Beijing, China. Assuming that to be true, I believe the document to be a genuine and authentic copy of a notification issued by the Ministry of Information Industry.

- f. The August 2000 Cost Notification: I have not been able to independently procure a copy of this document on my own; the copy attached as Appendix 8 has been supplied to me by Irico's counsel. It appears to me to be genuine, based on its appearance, format, and content, which is consistent with other Chinese ministry regulations I have seen in the past. I also note that the August 2000 Cost Notification bears a seal labeled "Electronic Industry Archives" along with a copy number (2017053). I am informed by counsel that this document is a certified copy obtained from the Electronic Industry Archives maintained by the Chinese Ministry of Industry and Information Technology in Beijing, China. Assuming that to be true, I believe the document to be a genuine and authentic copy of a notification issued by the Ministry of Information Industry.
- g. The September 2000 Cost Notification: I have not been able to independently procure a copy of this document on my own; the copy attached as Appendix 9 has been supplied to me by Irico's counsel. It appears to me to be genuine, based on its appearance, format, and content, which is consistent with other Chinese ministry regulations I have seen in the past. I also note that the September 2000 Cost Notification bears a seal labeled "Electronic Industry Archives" along with a copy number (2017052). I am informed by counsel that this document is a certified copy obtained from the Electronic Industry Archives maintained by the Chinese Ministry of Industry and Information Technology in Beijing, China. Assuming that to be true, I believe the document to be a genuine and authentic copy of a notification issued by the Ministry of Information Industry.

### **Legal Status of Regulatory Framework**

13. The regulatory framework set out in the Pricing Documents can be summarized as follows: Producers are required to submit information about costs to the regulator. The regulator then issues a document containing minimum prices. The producers may not price below those minima. If they do, they are subject to a variety of sanctions, ranging from warnings to fines to the loss of their business license.
14. In my opinion, as explained in more detail below, the regulatory framework set out in the Pricing Documents has the status of law in the Chinese legal system, and was binding and enforceable on producers in China.
15. China's highest legislative authorities are the National People's Congress (the "NPC") and its Standing Committee (the "NPCSC"). China's Law Against Unfair Competition, passed in 1993, prohibits pricing below cost (i.e., dumping) in order to gain competitive



advantage.<sup>8</sup> China's Price Law, passed in 1997 (the "Price Law"), similarly prohibits (in Article 14) "dumping commodities at prices lower than production cost in order to drive out rivals or monopolize the market[.]"<sup>9</sup> It further provides:

Any operator who commits any of the acts listed in Article 14 of this Law shall be ordered to make amends and his illegal gains shall be confiscated; he may also be fined not more than five times his illegal gains; if he has no illegal gains, he shall be given a disciplinary warning and may also be fined; if the circumstances are serious, he shall be ordered to suspend business for rectification, or his business license shall be revoked by the administrative department for industry and commerce.<sup>10</sup>

16. The 1998 Notice contains the "Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products" (the "1998 Regulations") issued jointly by the State Planning Commission and the State Economic and Trade Commission. Both these commissions are roughly equivalent to ministries under the State Council, the highest executive body in China's central government, but have a slightly higher bureaucratic rank than ordinary ministries. The State Planning Commission, which has subsequently undergone some name changes, was authoritatively described in 2009 as follows: "Most famously, the planning commission remains a powerful agency in China 30 years after the start of market reform, where it is 'first among equals' among the super-ministries."<sup>11</sup>
17. The State Planning Commission and other relevant departments under the State Council have authority under Articles 5, 33, and 34 of the Price Law to implement its provisions.
18. Article 5 of the 1998 Regulations sets forth a variety of "unfair price actions" in the nature of dumping (*i.e.*, selling below cost) that are specifically prohibited. Article 9 requires manufacturers to set prices at a level that reflects costs plus a reasonable profit. Article 10 states that anyone may report below-cost pricing, and that the competent government department—in this case, the State Planning Commission, which had jurisdiction over pricing—shall then investigate. Article 11 states that the producer being investigated must cooperate by supplying information. Article 12 states that when a producer is found to have committed one of the "unfair price actions" listed in Article 5, the competent government department shall order the producer to correct its actions and may in addition impose one or more of the following punishments: (1) warning, (2) fine, (3) suspension of business for a period of rectification, and (4) loss of business license (if approved by the State Administration of Industry and Commerce).

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<sup>8</sup> Law Against Unfair Competition (反不正当竞争法), passed by National People's Congress Standing Committee Sept. 2, 1993, effective Dec. 1, 1993, art. 11, <https://perma.cc/92AU-43SW> (in Chinese).

<sup>9</sup> Price Law (价格法), passed by National People's Congress Standing Committee Dec. 29, 1997, effective May 1, 1998, art. 14(2), <https://perma.cc/Y58D-U6A5> (in Chinese).

<sup>10</sup> *Id.*, art. 40.

<sup>11</sup> Christine Wong, *Rebuilding Government for the 21st Century: Can China Incrementally Reform the Public Sector?*, 2009 CHINA QUARTERLY (no. 200) 929, 934 n.9.

19. Article 14 of the 1998 Regulations states that trade associations are directed to urge their member producers to implement the 1998 Regulations.
20. The March 1999 Circular contains the “Measures for Determining the Cost of Low-price Dumped Industrial Products (Trial)” (the “Trial Measures”) issued by the State Planning Commission. The Trial Measures set forth procedures for determining production costs in order to determine whether a product is being sold for below cost (*i.e.*, dumped). Article 9(2) states that the investigation may be carried out by a government department or by a trade association, among others.
21. The April 1999 Notice contains the “Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs” (the “Trial CRT Measures”) issued jointly by the State Planning Commission and the Ministry of Information Industry (the “MII”). The Trial CRT Measures may be viewed as a specific implementation within the color CRT and color TV industry of the 1998 Regulations.
22. Article 5 of the Trial CRT Measures provides that the MII shall regularly publish average production costs of the main sizes and types of color CRTs and color TVs, and Article 6 provides that ex-factory prices shall not in principle be lower than those average production costs. The Trial CRT Measures apply by their own terms to ex-factory prices of “[a]ny business operator engaging in production and sales of color CRTs and color TVs within the People’s Republic of China” (Article 2). The Trial CRT Measures also provide for the reporting, investigation, and punishment of violators.
23. The sanctions prescribed for violations of the Trial CRT Measures are all explicitly authorized by China’s 1998 Law on Administrative Punishments.<sup>12</sup>
24. The April 1999, August 2000, and September 2000 Cost Notifications each contain charts of average CRT and/or color TV production costs that appear to have been published under the process described in Article 5 of the Trial CRT Measures, implementing the minimum prices for CRTs and color TVs contemplated under the regulatory framework.
25. The issuers and enforcers of the Pricing Documents—the State Planning Commission, the State Economic and Trade Commission, the State Administration of Industry and Commerce, and the Ministry of Information Industry—are or were at the time government departments directly under the State Council, and possessed of appropriate authority in China’s legal system to create and enforce the regulatory framework set forth in the Pricing Documents.



Donald Clarke

March 16, 2022

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<sup>12</sup> Law on Administrative Punishments (行政处罚法), passed by the National People’s Congress March 17, 1996, effective Oct. 1, 1996, art. 8, <https://perma.cc/7PHV-2RN3> (in Chinese).



# APPENDIX 1

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### CURRENT POSITION

- Professor, George Washington University Law School, Washington, DC (from Jan. 2005)

Courses taught:

- Chinese Law
- Chinese Business Law
- Business Organizations
- Law and Development

### OTHER POSITIONS AND VISITORSHIPS

- Visiting Professor, Interdisciplinary Center, Herzliya, Israel (April-May 2013)
- Visiting Professor, Duke University Law School, Durham, NC (Spring 2012)
- Visiting Professor, University of California at Los Angeles School of Law, Los Angeles, CA (Fall 2008)
- Visiting Professor, New York University School of Law, New York, NY (2007-08)
- Professor, University of Washington School of Law, Seattle, Washington (1988-2004)
- Attorney, Paul Weiss Rifkind Wharton & Garrison, New York, New York (Sept. 1995-Aug. 1998) (on leave from University of Washington)  
Areas of practice: Corporate, East Asia (focusing on China)
- Lecturer in Commercial Law of the Far East, Department of Law, School of Oriental and African Studies, University of London, UK (Sept. 1985-July 1988)

### EDUCATION

- *Harvard Law School*, Cambridge, Mass., USA (1983-85, 1986-87)—JD cum laude 1987  
Activities: Editorial Board, *Harvard Law Review*  
*Harvard International Law Journal*
- *School of Oriental and African Studies*, University of London, UK (1981-83)—MSc 1983 in Government and Politics of China  
Honors: Award of Distinction for thesis
- *Beijing University and Nanjing University*, People's Republic of China (1977-79)—Non-degree academic exchange program  
Major area of study: Chinese history
- *Princeton University*, Princeton, New Jersey, USA (1973-77)—BA cum laude 1977  
Major areas of study: International affairs (Woodrow Wilson School of Public and International Affairs); Certificate of Proficiency in East Asian Studies

## SCHOLARSHIPS AND FELLOWSHIPS

- Law and Public Affairs Fellowship, Princeton University, 2020-21 academic year
- Rowdget Young Visiting Fellow, Faculty of Law, University of Hong Kong, June 2005
- Fulbright Research Fellowship, 2003 (Tsinghua University Faculty of Law, Beijing)
- Visiting Fellow, China Law Center, Yale Law School, Fall 2001
- Research Fellowship, National Program, Committee on Scholarly Communication with the People's Republic of China, 1991-92
- Foreign Language and Area Studies Fellowship, 1986-87 (Harvard Law School)
- Foreign Language and Area Studies Fellowship, 1984-85 (Harvard Law School)
- Commonwealth Scholarship, 1981-83 (University of London)
- Canada-China Exchange Scholarship, 1977-79 (Peking University, Nanking University)

## PROFESSIONAL ASSOCIATIONS AND MEMBERSHIPS

- Member, Council on Foreign Relations
- Member, New York Bar
- Member, Executive Editorial Board, *American Journal of Comparative Law*
- Member, Editorial Board, *The China Quarterly*
- Member, Editorial Board, *Journal of Comparative Law*
- Member, Academic Advisory Group, US-China Working Group, United States Congress
- Affiliate Professor, University of Washington School of Law
- Director, Pacific Rim Law and Policy Association (publisher of *Pacific Rim Law and Policy Journal*)
- Member, Advisory Board, Center for Real Estate Law, Peking University Law School

## CONSULTANCIES (SELECTED)

- U.S. Department of Justice (2019)
- Office of the Attorney General of New Jersey (2019)
- Public Company Accounting Oversight Board (2016-2017, 2021)
- Securities and Exchange Commission (2013)
- Financial Sector Reform and Strengthening (FIRST) Initiative, *Amendments to the Securities Law of the People's Republic of China*, 2004-2005
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## EXPERT TESTIMONY

*The following is a list of cases in which I have testified at trial or in a deposition between March 15, 2018 and March 15, 2022*

- Beijing Luode Property Management Co., Ltd. v. Han Qin & Fan Yang (Superior Court of California, County of Orange), Aug. 27, 2021 (deposition)

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- “China’s New Partnership Law” (with Nicholas Howson and Gangliang Qiao), *The China Business Review*, July-August 1997: 30-33
- “Shanghai Measures on Land Use by FIEs: An Indication of Coming Changes in the National System?” (with Nicholas C. Howson), *East Asian Executive Reports*, vol. 18, no. 11 (November 15, 1996): 9-13
- “Bill Jones: An Appreciation,” *Washington University Law Quarterly*, vol. 74 (Fall 1996): 545-546
- “Methodologies for Research in Chinese Law,” *University of British Columbia Law Review*, vol. 30, no. 1 (1996): 201-209

- “One Step Back Permits Two Steps Forward,” *China Rights Forum*, Fall 1996: 8-11
- “Developing P.R.C. Property and Real Estate Law: Revised Land Registration Rules” (with Nicholas C. Howson), *East Asian Executive Reports*, vol. 18, no. 4 (April 15, 1996): 9, 13-17
- “Implementation of Central Policy and the Law in China,” *European Association for Chinese Law Information Bulletin* (1991)
- “Foreign Economic Laws and Bureaucracy in China,” *European Association for Chinese Law Information Bulletin*, vol. 5, no. 4 (December 1989): 3-7
- Review of Frank K. Upham, *Law and Social Change in Postwar Japan* (1987), in *Bulletin of the School of Oriental and African Studies* (1989)
- Contribution on the People’s Republic of China for “Crime and Punishment” section of the *Encyclopaedia Britannica* (1989)
- Review of Michael J. Moser (ed.), *Foreign Trade, Investment, and the Law in the People’s Republic of China* (2nd ed. 1987), in *Lloyd’s Maritime and Commercial Law Quarterly*, 1989, Part 1: 129-130 (February 1989)
- “Relief on the Way for Foreign Investors,” *South* (June 1987): 32
- Review of J. Oldham (ed.), *China’s Legal Development* (1986), in *China Quarterly*, no. 109 (March 1987): 122-123
- Review of D.T.C. Wang, *Les sources du droit de la République populaire de Chine* (1982), in *China Quarterly*, no. 108 (December 1986): 727-728
- Review of M.D. Pendleton, *Intellectual Property Law in the People’s Republic of China* (1986), in *European Intellectual Property Review*, vol. 8, no. 10 (October 1986): 323-324
- Review of D. Solinger, *Chinese Business Under Socialism. The Politics of Domestic Commerce, 1949-1980* (1984), in *China Quarterly*, no. 106 (June 1986): 348-350
- Review of P. Gladwin & A. Hameed, *Guide to the Patent Law of the People’s Republic of China* (1985), in *European Intellectual Property Review*, vol. 8, no. 5 (May 1986): 160
- “China’s New Rule of Law,” *Britain-China*, no. 31 (Spring 1986): 11-14
- “Proposed Consent Agreement Between General Motors Corporation and Toyota Motor Corporation,” *Harvard International Law Journal*, vol. 25, no. 2 (Spring 1984): 421-427

### Unpublished Working Papers

- “Who Owns Huawei?” (with Christopher Balding), May 8, 2019, available at <https://ssrn.com/abstract=3372669>
- “The Zhong Lun Declaration on the Obligations of Huawei and Other Chinese Companies under Chinese Law,” March 28, 2019, available at <https://ssrn.com/abstract=3354211>
- “Lost in Translation? Corporate Legal Transplants in China” (July 3, 2006), GWU Law School Public Law Research Paper No. 213, available at <http://ssrn.com/abstract=913784>
- “The Enforcement of United States Court Judgments in China: A Research Note” (May 27, 2004), available at <http://ssrn.com/abstract=943922>

## Blogs

*The China Collection*, <http://thechinacollection.org/>

Co-blogger (occasional), *ChinaFile*, <http://www.chinafile.com> (sponsored by the Asia Society)

## Translations

“The Management Liability of Directors,” *Law in Japan*, vol. 20 (1987): 150-172 (translation from Japanese of M. Kondô, “Torishimariyaku no keiei sekinin”)

## LECTURES, INTERVIEWS, PRESENTATIONS, AND CONFERENCE APPEARANCES

Featured speaker, “Judging China: Illiberal Legal Systems in U.S. Courts,” Council on Foreign Relations Virtual Roundtable, Jan. 13, 2022

“Judging China,” paper presented at George Washington University Law School Faculty Workshop, Nov. 5, 2021

Speaker, “Judging China: Chinese Law in U.S. Courts,” panel on *When Domestic Courts Evaluate Foreign Legal Systems: The Case of China*, International Law Weekend (99th Annual Meeting of the American Branch of the International Law Association), Oct. 29, 2021

Visiting lecturer, “Order and Law in China,” Göttingen Summer School on Chinese Law, Max-Planck-Institut für ausländisches und internationales Privatrecht, Hamburg, Sept. 20, 2021

Speaker, “Legal Aspects of Xinjiang Detentions: Points of Argument Regarding Chinese Domestic Law,” at *The Xinjiang Crisis: Genocide, Crimes Against Humanity, Justice*, Conference at Newcastle University, UK, Sept. 3, 2021

Featured speaker, “Order and Law in China,” in *Rethinking Cultural Constructions of Law in East Asia* (speaker series) (University of Toronto Faculty of Law, Cornell Law School, Yale Law School), June 25, 2021

Panelist, *We Must Not Remain Silent: China’s Uyghur Genocide and What You Can Do About It*, Symposium and CLE presented by The Cardozo Society, Jewish Federation of Greater Seattle, and Middle Eastern Legal Association of Washington, June 3, 2021

Commentator, *US-China Rule of Law Dialog*, sponsored by National Committee on US-China Relations, New York, NY, April 26-27, 2021

Featured speaker, “Order and Law in China,” Princeton University East Asian Studies Program, March 29, 2021

Speaker, “The Xinjiang Crisis and Chinese Law,” *Human Rights Symposium*, George Washington University Law School, March 25, 2021

Presenter, *Research in the Chinese Legal System*, Princeton University School of Public and International Affairs, March 16, 2021

Panelist, *International Law and the Uyghur Crisis*, Columbia Law School, March 15, 2021

- Commentator, Works-in-Progress Workshop, American Society of Comparative Law, Princeton University, March 12, 2021
- Featured speaker, “Judging China: How US Courts Look at the Chinese Legal System,” Program in Law and Public Affairs, Princeton University, Feb. 26, 2021
- Discussant, *Securities Regulatory Cooperation Over Cross-Border Listings and Transactions*, Chinese University of Hong Kong, Dec. 10-11, 2020
- Moderator, *The Uyghur Human Rights Crisis: What Are the Legal Options*, George Washington University Law School, Nov. 10, 2020
- Featured speaker, “Order and Law in China,” Harvard Law School Comparative Law Seminar, Nov. 9, 2020
- Visiting lecturer, “Anti Anti-Orientalism,” Göttingen Summer School on Chinese Law, Max-Planck-Institut für ausländisches und internationales Privatrecht, Hamburg, Sept. 21, 2020
- Panelist, *The Future of Hong Kong’s Separate Legal System under the National Security Law*, University of London, School of Oriental & African Studies China Institute Roundtable, Sept. 9, 2020
- Featured speaker, “Approaches to the Study of Chinese Law,” New York University Law School, Aug. 27, 2020
- Speaker, *Policy Forum: Organ Procurement and Extrajudicial Killing in China: Confronting the Evidence*, sponsored by International Coalition to End Transplant Abuse in China (ETAC), Uyghur Human Rights Project, Victims of Communism Memorial Foundation, Washington, DC, March 10, 2020
- Speaker, *China’s Ideological Ambitions*, workshop organized by Brookings Institution, Washington, DC, March 10, 2020
- Panelist, *China and the Rule of Law: Addressing Key Human Rights Challenges Together*, workshop organized by Department of Human Rights and Labor, Department of State, Washington, DC, March 2, 2020
- “China’s Legal Non-Construction Project,” paper presented at George Washington University Law School Faculty Workshop, Jan. 15, 2020
- Panel chair, *Going Global* (seminar on business in East Asia), George Washington University, Washington, DC, Nov. 14, 2019
- “China’s Legal Non-Construction Project,” paper presented at *China’s Legal Construction Program at 40 Years—Towards an Autonomous Legal System?*, University of Michigan, Oct. 11, 2019
- Presentation at *China Reform Forum*, Georgetown Law School, Washington, DC, Aug. 10, 2019
- “China’s Legal Non-Construction Project,” keynote speech, 2019 Annual General Conference of the European China Law Studies Association, Durham University, Durham, UK, July 27, 2019
- Presentation on China policy issues to Policy Planning Office, Department of State, July 11, 2019
- Presentation on Chinese legal system. University of Ottawa (Certificate Program in Public Sector Leadership and Governance for federal civil servants at Director General level), Ottawa, Canada, July 5, 2019



“Of cell phones and seed prices: The Chinese legal system in theory and practice,” *ChinaEconTalk*, June 21, 2019, <http://bit.ly/2RAIxQo> (podcast interview)

Panelist, *Confronting Atrocities in China: The Global Response to the Uyghur Crisis*, George Washington University, June 7, 2019

Commentator, Chinese Law Workshop, Columbia Law School, May 14, 2019

“The Chinese Legal System,” presentation to China Policy Centre, Ottawa, Canada, April 16, 2019

Organizer and panelist, *Mass Detentions in Xinjiang, China: Issues of Law and Human Rights*, George Washington University Law School, April 15, 2019

“Arbitrary Detention in China,” presentation at Council on Foreign Relations, Washington, DC, April 12, 2019

Panelist, *The U.S. Supreme Court Says “No” to China: Lessons Learned from the Vitamin C Case & the Implications for Cross-Border Litigation*, ABA Section on International Law Annual Conference, Washington, DC, April 11, 2019

Commentator, *Authoritarian Police and Legality in Asia*, conference at Faculty of Law, University of Hong Kong, Hong Kong, Feb. 22-23, 2019

Panel moderator, *DC Residency Lecture Series: The Chinese Dream & What It Means to the World*, Graduate School of Political Management, George Washington University, Washington, DC, July 18, 2018

“The Supreme Court’s Vitamin C Antitrust Case,” presentation at George Washington University Law School Faculty Workshop, Washington, DC, June 6, 2018

“The Law of Local Government Debt in China,” presentation at *A Legal Revolution: Evolving Jurisprudence in Present Day China*, symposium sponsored by George Washington University International Law Review, Washington, DC, April 2018

“Corporate Governance in China,” invited lecture at Columbia Law School, New York, NY, March 2018

“Local Government Debt in China,” presentation at Center for Chinese Law, Columbia Law School, New York, NY, March 2018

“Anti Anti-Orientalism,” paper presented at *Comparative Law Works in Progress Workshop*, sponsored by American Society of Comparative Law, Princeton, NJ, February 2018

“China’s Law on Supervision,” presentation at *US-China Rule of Law Dialog*, sponsored by National Committee on US-China Relations, New York, NY, November 2017

Panelist, *Containing the Fallout from the North Korea Crisis: What Role for U.S. and International Law?*, George Washington University Law School, Washington, DC, Sept. 6, 2017

Panelist, *Anti-Corruption Forever? Xi Jinping’s Signature Policy in a Fraught Political Year*, Woodrow Wilson International Center for Scholars, Washington, DC, March 24, 2017

“Short- and Long-Term Perspectives on Legal Developments in China,” presentation at *Fourth Annual China Law Conference*, University of Toronto Faculty of Law, Toronto, Canada, Feb. 18, 2017

- Panelist, *Reinvigorating Human Rights Policy Toward China*, conference sponsored by McCain Institute for International Leadership (Arizona State University) and Robert Strauss Center for International Security and Law, Washington, DC, Nov. 15-16, 2016
- “Chinese Law and Chinese Language,” paper presented at conference on *How and Why Language Learning Is Useful in China Careers*, sponsored by Princeton in Beijing, Princeton, NJ, Oct. 21-23, 2016
- Participant, Roundtable discussion on China’s Overseas NGO Law, Department of State, Washington, DC, May 13, 2016
- Panel moderator and discussant, *Judicial Reform, Legal Reform and IP in China: A Roundtable Discussion*, United States Patent and Trademark Office, Alexandria, VA, April 14, 2016
- Presentation at *World Development Report 2017 on Governance and the Law, Symposium on The Role of Law in Governance*, World Bank, Washington, DC, April 13, 2016
- “Anti Anti-Orientalism, or Is Chinese Law Different?,” invited lecture, University of British Columbia Law School, Vancouver, Canada, March 30, 2016
- “Legal and Regulatory Reform – or Not: Implications for Business,” presentation at *Third Annual China Law Conference*, University of Toronto Faculty of Law, Toronto, Canada, March 26, 2016
- Participant in *Sixth Sino-American Dialogue on the Rule of Law and Human Rights*, sponsored by the National Council on US-China Relations and the China Foundation for Human Rights Development, Beijing, China, Dec. 6-10, 2015
- “Legal Issues of the Fourth Plenum,” presentation at *5th Annual NYU Conference on Chinese Capital Markets: Assessing the Progress of China’s Economic and Legal Reforms*, New York University, New York, NY, Dec. 5, 2015
- Invited participant, conference on *The Chinese State & Market: Toward the 13th Five-Year Plan*, Center for Strategic and International Studies, Washington, DC, Nov. 24, 2015
- “Is the Xi Administration Interested in the Rule of Law?,” invited lecture at USPTO’s Global IP Academy, Alexandria, VA, July 14, 2015
- “Recent Developments in American Insider Trading Law: Why China Should Not Learn from the US,” invited lecture, China Securities Regulatory Commission, Beijing, China, May 25, 2015
- “Anti Anti-Orientalism, or Is Chinese Law Different?,” invited lecture, University of Michigan Center for Chinese Studies Occasional Lecture Series, Ann Arbor, MI, March 25, 2015
- “Anti Anti-Orientalism, or Is Chinese Law Different?,” keynote address, *Law and the Legal Profession in China Conference*, University of Pittsburgh School of Law, Pittsburgh, PA, Feb. 27, 2015
- “The Bonding Effect in Cross-Listed Chinese Companies: Is It Real?,” conference paper presented at *Public and Private Enforcement of Company Law and Securities Regulation—China and the World*, sponsored by Chinese University of Hong Kong, University of Michigan Law School, and University of Michigan Center for Chinese Studies, Hong Kong, Dec. 13, 2014
- “China’s Stealth Urban Land Revolution,” invited lecture at Fall 2014 Speaker Series, Institute for the Study of International Development, McGill University, Montreal, Canada, Nov. 27, 2014



- “Fourth Plenum Legal Reforms and Their Implications for US-China Relations,” talk presented at conference on *Corruption, Constitutionalism & Control: Implications of the 4th Plenum for China and U.S.-China Relations*, Woodrow Wilson International Center for Scholars, Washington, DC, Nov. 25, 2014
- “Local Government Financing Vehicles in China and their Debt: The Legal Picture,” talk presented at Sigur Center for Asian Studies, George Washington University, Nov. 25, 2014
- “Legal Developments in China Since the Third Plenum,” panel presentation at American Association for Chinese Studies Annual Meeting, Washington, DC, Oct. 11, 2014
- “Blowback: How China’s Efforts to Bring Private-Sector Standards into the Public Sector Backfired,” paper presentation at conference on *Chinese State Capitalism and Institutional Change: Domestic and Global Implications*, Columbia Law School, New York, NY, June 13-14, 2014
- “The Significance of Recent Detentions for the Rule of Law in China,” testimony before the Congressional-Executive Commission on China, Washington, DC, April 8, 2014
- Interviewed for the United States-China Policy Foundation’s *China Forum*, available at <http://youtu.be/7hfwjStUcDs>, April 2, 2014
- Moderator for panel on “Wider Implications of Asian Maritime Tensions,” Mansfield Foundation conference on *Maritime and Territorial Disputes in East Asian Waters*, Washington, DC, Feb. 12, 2014
- Speaker at Third Annual China Intellectual Property Conference, George Washington University Law School, Washington, DC, Dec. 11, 2013
- “Legal Aspects of Entrepreneurship in China,” presentation at US-China Legal Exchange (co-organized by U.S. Department of Commerce and P.R.C. Ministry of Commerce), George Washington University Law School, Washington, DC, Dec. 3, 2013
- “China’s Stealth Urban Land Revolution,” seminar presentation, Yale Law School, April 4, 2013
- “China’s Stealth Urban Land Revolution,” seminar presentation, Columbia Law School, March 1, 2013
- Participant in *Fourth Sino-American Dialog on Rule of Law and Human Rights*, sponsored by the National Council on US-China Relations and the China Foundation for Human Rights Development, Haikou, China, Dec. 3-7, 2012
- Discussant at *Festschrift Conference in Honor of Professor John Haley: Law in Japan and Its Role in Asia—Between East and West*, University of Washington School of Law, Seattle, Oct. 19, 2012
- “China’s Stealth Urban Land Revolution,” invited lecture at University of Amsterdam, June 18, 2012
- “China’s Informal Constitutional Order,” presentation at *Social Change and the Constitution: A Conference on the Occasion of the 30th Anniversary of the 1982 Constitution of the People’s Republic of China*, Free University of Berlin, June 15-17, 2012
- “Local Government Bonds in China: What’s Behind Them?,” presentation at *Shanghai Forum 2012*, sponsored by Fudan University and Korean Foundation for Advanced Studies, Shanghai, May 27, 2012 (in Chinese)
- “China’s Stealth Urban Land Revolution,” presentation at *Perspectives on Chinese Law* conference, George Washington University Law School, Washington, DC, April 13, 2012

Panelist in “Who Makes Your iPhone? China Migration, Labor, and Human Rights,” *Program in Public Law*, Duke Law School, Durham, NC, April 4, 2012

Panelist in “China’s Environmental Policy,” Duke Law School, Durham, NC, March 29, 2012

Interviewed by Radio Australia on recent developments in Chinese law, Mar. 21, 2012

Roundtable participant in conference on *Democracy in China and Southeast Asia: Local and National Perspectives*, Princeton University, Princeton, NJ, March 15, 2012

“China’s Stealth Urban Land Revolution,” Duke Law School, Durham, NC, Feb. 29, 2012

Participated in panel on “The Rule of Law and Economic Background” at conference on *Patents, Trade, and Innovation in China*, George Washington University Law School, Washington, DC, Dec. 13, 2011

Panelist at NYU Law School’s *17th Annual Timothy A. Gelatt Dialogue on the Rule of Law in Asia, China’s Quest for Justice: Law and Legal Institutions Since the Empire’s Collapse*, Nov. 7, 2011

“Zhongguo de yinxing chengshi tudi geming” (China’s Stealth Urban Land Revolution), presentation to Hongfan Institute of Law and Economics, Beijing, June 25, 2011 (in Chinese)

“Recent Developments in China’s Legal System and Their Implications for Rule of Law,” presentation sponsored by Economist Intelligence Unit, Shanghai, May 27, 2011

“Derivative Actions in China,” invited lecture at Hong Kong University Faculty of Law, Hong Kong, May 12, 2011

Commentator, conference on *Criminal Justice in China: Comparative Perspectives*, sponsored by Chinese University of Hong Kong, Hong Kong, May 7-8, 2011

“Derivative Actions in China,” presentation to faculty at Fordham University Law School, New York, March 7, 2011

“Derivative Actions in China,” presentation to faculty at Duke University Law School, Durham, March 3, 2011

Discussant, *Second Sino-American Dialogue on the Rule of Law and Human Rights*, sponsored by the National Council on US-China Relations and the China Foundation for Human Rights Development, Xiamen, Dec. 7-8, 2011

“Transnational Litigation Involving China,” presentation at conference on *Law and Business in China*, sponsored by the Faculty of Law and the Asian Studies Program of Pontificia Universidad Católica de Chile, Santiago, Nov. 25-26, 2010

“Understanding the Chinese Legal System: Searching for the Right Paradigm,” invited lecture at University of Buenos Aires Faculty of Law, Buenos Aires, Nov. 22, 2010

“Is Chinese Law Different?”, invited lecture at Universidad Torcuato Di Tella Faculty of Law, Buenos Aires, Nov. 22, 2010

“Governance and China’s Evolving Relationship with Its Citizens,” panel presentation at *Economist conference China Summit: China and the New World Disorder*, Beijing, Nov. 3, 2010

- “Derivative Actions in the People’s Republic of China,” presentation at conference on *The Prospect of Structural Reform of the Corporate Legal System*, sponsored by Tsinghua University Faculty of Law, Beijing, Oct. 30-31, 2010
- “The Interface Between the Regulation of China’s Internal Market and the Global Trading System,” seminar presentation, Yale Law School, Oct. 5, 2010
- “The Interface Between the Regulation of China’s Internal Market and the Global Trading System,” seminar presentation, Columbia Law School, New York, Sept. 28, 2010
- Commentator at conference on *The Global Financial Crisis and China’s Development*, sponsored by the University of Chicago Center in Beijing and Renmin University School of Economics, Beijing, July 30-31, 2010
- “Local Experimentation in the Chinese Legislative System,” paper presented at *China-US Rule of Law Dialogue*, sponsored by the China-US Exchange Foundation, Beijing, July 29-30, 2010
- “Shareholder Derivative Suits in China,” invited lecture, Hong Kong University Faculty of Law, Hong Kong, June 1, 2010
- Panelist on “Business Law” panel at George Washington University Law School- Georgetown University Law Center conference *Six Decades of Asian Law: A Celebration of Professor Jerome Cohen*, Washington, D.C., February 19, 2010
- “Lawyers and the State in China: Recent Developments,” testimony at hearing on *Human Rights and Rule of Law in China*, Congressional-Executive Commission on China, Washington, D.C., October 7, 2009
- “Trends in Comparative Corporate Law Scholarship,” panel presentation at Association of American Law Schools Mid-Year Conference, Long Beach, California, June 9, 2009
- “Who and What Matters in Chinese Stock Markets: Implications for Regulation,” presentation at symposium *A New Era Dawns for Asian Capital Markets*, Asia Law Society, University of Michigan Law School, Ann Arbor, 21 March 2009
- “The Concept of the Extra-Legal in Chinese Law,” presentation at Global Law Workshop, George Washington University Law School, Washington, D.C., 23 February 2009
- “Is Chinese Law Different?,” lecture presented at United States Naval Academy, Annapolis, Maryland, 13 February 2009
- “Does Chinese Law Matter?,” presentation to United States Treasury Department, Washington, D.C., 12 February 2009
- “The Concept of the Extra-Legal in Chinese Law and Its Significance,” lecture presented at seminar *Are Politics Really in Command? China and the Rule of Law*, Norwegian Centre for Human Rights, China Programme, Oslo, 16 January 2009
- “Private Enforcement of the Public Interest in China: Potential and Pitfalls,” lecture presented at UCLA Center for Chinese Studies, Los Angeles, 24 November 2008
- “The Ecology of Corporate Governance in China,” presentation at UCLA School of Law Faculty Colloquium, Los Angeles, 14 November 2008

- “Selfishness in the Public Interest? The ‘Private Attorney-General’ in China,” lecture presented at School of International Relations and Pacific Studies, University of California at San Diego, 30 October 2008
- “New Developments in Chinese Property Law,” presentation at 2008 US-China Business Law Conference at UCLA, Los Angeles, 24 October 2008
- “The Ecology of Corporate Governance in China,” presentation at University of Illinois Law School Faculty Workshop, Champaign, Ill., 20 October 2008
- “Delaware’s Dysfunctional Derivative Suit Doctrine,” lecture presented at Faculty of Law, Renmin University, Beijing, 11 June 2008 (in Chinese)
- “Three Concepts of the Independent Director,” paper presented at Contemporary Corporate Law Scholarship Reading Group (seminar course conducted by Prof. Jeffrey Gordon, Columbia Law School), 23 April 2008
- “Chinese Corporate Governance in Global Context,” lecture presented at Yale University, sponsored by Yale Working Group on Corporate Governance and Millstein Center for Corporate Governance and Performance, 22 April 2008
- “Corporate Governance Institutions in China,” presentation at New York University School of Law Faculty Workshop, 14 April 2008
- Commentator at *Conference on Law, Commerce and Development*, New York University School of Law, New York, 12 April 2008
- Discussant at panel on *New Dimensions in China Watching: Internet Forums and the Study of Contemporary China*, Association for Asian Studies Annual Meeting, Atlanta, 3 April 2008
- “Chinese Corporate Governance: All Sizzle, No Steak?,” roundtable presentation at Council on Foreign Relations, New York, 19 November 2007
- “The Institutional Environment of Chinese Corporate Governance,” lecture presented at China House series on *The Legal Infrastructure of New China*, New York University, New York, 14 November 2007
- “Forum Non Conveniens Issues in China-Related Litigation,” presentation at *Global Justice Forum*, Columbia Law School, New York, 2 November 2007
- “The Ecology of Chinese Corporate Governance,” presentation at Chinese Law Workshop, Yale Law School, New Haven, 29 October 2007
- “Private Attorney-General Litigation in China,” paper presented at conference on *Chinese Justice*, Fairbank Center for East Asian Research, Harvard University, 12 October 2007
- “The Ecology of Chinese Corporate Governance,” lecture delivered at Max Planck Institute, Hamburg, Germany, 30 July 2007
- Discussant at panel on *Comparative Corporate Governance: Law in Context*, Law and Society Association Annual Meeting, Berlin, 26 July 2007
- “The Ecology of Chinese Corporate Governance,” paper presented at panel on *Law and Development: The China Consensus?*, Law and Society Association Annual Meeting, Berlin, 26 July 2007

“China: Creating a Legal System for a Market Economy,” report delivered at symposium on *Development and Reform of China’s Legal and Judicial System: Review and Prospect*, sponsored by the Asian Development Bank, Beijing, 14-15 May 2007

Commentator, conference on *China’s Financial System Reforms and Governance*, School of Advanced International Studies, Johns Hopkins University, Washington DC, 16 April 2007

“Is Chinese Law Different?,” public lecture sponsored by East Asian Studies Program, Princeton University, Princeton, New Jersey, 10 April 2007

“The Role of Law in China’s Economic Development,” public lecture sponsored by Department of Economics, Middlebury College, Middlebury, Vermont, 5 April 2007

Panelist, “The Academic Perspective and Recent Research,” *OECD-China Policy Dialogue on Corporate Governance*, sponsored by the OECD, Shanghai Stock Exchange, State Assets Supervision and Administration Commission, Chinese Securities Regulatory Commission, Development Research Center, Government of Japan, Global Corporate Governance Forum, and Millstein Center for Corporate Governance and Performance at Yale School of Management, 29-30 March 2007

Public lecture, “The Ecology of Chinese Corporate Governance,” sponsored by Asian Institute of International Financial Law, Faculty of Law, University of Hong Kong, 2 March 2007

“The Rule of Law in China,” roundtable discussion (with Jerome A. Cohen), MITRE Corporation, Washington, DC, 2 February 2007

Guest lecturer, National Taiwan University Faculty of Law, “The Institutional Environment of Corporate Governance in China” (in Chinese), 22 December 2006

Guest lecturer, New York University Law School, “Chinese Constitutional Law”, 14 November 2006

“The Institutional Environment of Corporate Governance in China”, lecture presented as part of Clarke Program Colloquium Series, Cornell Law School, 3 November 2006

“The Role of Non-Legal Institutions in Chinese Corporate Governance”, paper presented at authors’ workshop on *A Decade After Crisis: The Transformation of Corporate Governance in East Asia* sponsored by the Center of Excellence Program in Soft Law at the University of Tokyo, the Center on Financial Law at Seoul National University, and the Center for Japanese Legal Studies at Columbia Law School, Tokyo, 1 October 2006

“The Institutional Environment of Chinese Corporate Governance”, paper presented at panel on *Legal Aspects of the Economic Transformation in China*, annual conference of the International Society for New Institutional Economics, Boulder, Colorado, 23 September 2006

“Law and the Economy in China: The Past Decade”, paper presented at authors’ workshop on *Developments in Chinese Law: The Last Ten Years*, sponsored by *The China Quarterly* and All Souls College, Oxford University, Oxford, UK, 15 September 2006

“The Institutional Environment of Corporate Governance in China and Its Policy Implications”, paper presented at conference on *Corporate Governance in East Asia: Culture, Psychology, Economics and Law*, Berkeley Center for Law, Business and the Economy, Boalt Hall School of Law, 5 May 2006

Guest lecturer, Yale Law School, “Recent Revisions to China’s Securities Law”, 4 April 2006



- Commentator, Roundtable on “China’s Emerging Financial Markets: Opportunities and Obstacles,” Transactional Studies Program, Columbia Law School, New York, 19 January 2006
- Speaker at Timothy A. Gelatt Memorial Dialog on Law and Development in Asia, New York University Law School, New York, 18 January 2006
- Speaker and participant in workshop on administrative rule-making under China’s new Securities Law, sponsored by the FIRST Initiative, the Finance and Economics Committee of the National People’s Congress, and the World Bank, Beijing, 14-15 January 2006
- Panelist, “The Globalization of American Law? Comparative Law and the New Legal Transplants”, Section on Comparative Law, American Association of Law Schools annual meeting, Washington, DC, 5 January 2006
- Panelist, “Improving the Fairness and Transparency of Judicial Decisions”, conference on *Rule of Law Developments in China*, sponsored by the Bureau of Democracy, Human Rights, and Labor, Department of State, Washington, DC, 7 November 2005
- Interviewed on BBC World Service on recent developments in death penalty procedures in China, 26 October 2005
- “Lost in Translation: Legal Transplants in Chinese Corporate Law”, Rowdget Young Visiting Fellow Lecture, University of Hong Kong Faculty of Law, Hong Kong, 4 June 2005
- “The Independent Director in Chinese Corporate Governance”, invited paper presented at 4<sup>th</sup> Asian Corporate Governance Conference, co-hosted by Asian Institute of Corporate Governance, Korea University and Center for Financial Law, Seoul National University, sponsored by World Bank Global Corporate Governance Forum, Seoul, 19-20 May 2005
- “The Legacy of History in China’s Legal System”, paper presented at conference on *The Rule of Law: Chinese Law and Business*, Centre for Socio-Legal Studies, Oxford University, May 11-13, 2005
- “The Emerging Private Sector and China’s Legal System”, paper presented at conference on *China’s Economic and Sociopolitical Transformation: Measuring China’s Emerging Private Sector and Its Impact*, Washington, DC, 22 April 2005
- “How Do We Know When an Enterprise Exists? Unanswerable Questions and Legal Polycentricity in China”, paper presented at conference on *New Scholarship in Chinese Law: A Celebration in Honor of Stanley Lubman*, Center for Chinese Legal Studies, Columbia Law School, New York, 15 April 2005
- “Lost in Translation? Corporate Law in China”, paper presented at conference on *Asia in a Globalizing World*, Center for East Asian and Pacific Studies, University of Illinois at Urbana-Champaign, 9 April 2005
- Guest lecturer in course on “China and Globalization”, Prof. Reuven Avi-Yonah, University of Michigan Law School, Ann Arbor, 1 April 2005
- “Law, Institutions, and Property Rights”, paper presented at conference on *China’s Economy: Retrospect and Prospect*, Woodrow Wilson International Center for Scholars, Washington, DC, 2 March 2005
- “Insider Trading Law in the United States and China”, lecture presented in Chinese at East China University of Politics and Law, Shanghai, 25 November 2004



- “Law, Property Rights, and Institutions” (with Peter Murrell and Susan Whiting), paper presented at conference on *China’s Economic Transition: Origins, Mechanisms, and Consequences* (Part II), University of Pittsburgh, 5-7 November 2004
- “The Independent Director in Chinese Corporate Governance”, opening paper presented at conference on *Amendment of the Company Law* organized by the Legislative Affairs Office of the State Council, the China Securities Regulatory Commission, and the Shanghai Stock Exchange, 10 October 2004
- “Insider Trading Law in the United States and China”, talk presented to Shanghai Institute of Law and Economics, Beijing, 28 September 2004
- “China’s Proposed Bankruptcy Law”, commentator at conference on *Legal and Financial Infrastructure Requirements for Residential Mortgage Securitization in China* organized by Beijing University School of Law, Center for Real Estate Law and Financial Law Institute, Beijing, 17 July 2004
- “Does Law Matter in China?”, talk presented at Global Business Center, University of Washington School of Business, 15 January 2004
- “Why China Should Not Adopt United States Insider Trading Law”, paper presented at conference on *Corporate Fraud and Governance: American and Chinese Perspectives* organized by Shanghai Jiaotong University and New York University School of Law, Shanghai, 16 December 2003
- “Human Rights and Culture”, paper presented at conference on *Sino-U.S. Human Rights Conference* organized by Georgetown University Law Center, Beijing, 14 December 2003
- “The History of Corporate Governance in China”, commentator at conference organized by Shanghai Institute of Law and Economics, Beijing, 15 November 2003
- “Professional Ethics of Defense Lawyers”, commentator at conference on *The Defense Functions of Lawyers and Judicial Justice* organized by the All-China Lawyers Association, the American Bar Association, Renmin University of China, and New York University School of Law, Beijing, 21 September 2003
- “The Independent Director in Chinese Corporate Governance”, lecture presented at Tsinghua University Faculty of Law, Beijing, 10 April 2003
- “The Independent Director in Chinese Corporate Governance”, paper presented to the School of Business and Management, Hong Kong University of Science and Technology, 7 March 2003
- “Assessing the Value of Law in China’s Economy” (with Peter Murrell and Susan Whiting), paper presented at conference on *China’s Economic Transition: Origins, Mechanisms, and Consequences* (Part I), University of Toronto, 15-17 November 2002
- “China’s Entry into the WTO: Prospects for Compliance”, paper presented at conference on *China’s Accession to the World Trade Organization*, Georgetown University Law Center, 10 Oct. 2002
- “How Do We Know When an Enterprise Exists? Unanswerable Questions and Legal Polycentricity in China”, paper presented at conference on *The Reform of Corporate Law Under Global Competition*, Commercial Law Research Center of the Faculty of Law, Tsinghua University, Beijing, China, 15 Sept. 2002

“Zhongguo youdai fazhan duoyuanhua de jiandu jizhi” (China Has Yet to Develop a Multidimensional Monitoring Mechanism), 21 *Shiji Jingji Baodao* (21st Century Economic Report), 19 Aug. 2002, p. 39, col. 1 (interview)

Testified before the Congressional-Executive Commission on China, Washington, D.C., on issues relating to China’s compliance with its WTO commitments, 6 June 2002

“Business Regulation in the Bureaucratic State: Enterprise Law in China”, paper presented at panel on *The Rule of Law and Enterprise Reform in China*, Association for Asian Studies annual meeting, 5 April 2002

“What WTO Accession Does *Not* Mean for China”, paper presented at panel on *WTO and the International Rule of Law*, American Society of International Law annual meeting, 15 March 2002

Testified before United States-China Security Review Commission, Washington, DC, on issues relating to China’s WTO accession, 18 Jan. 2002

“The Independent Director in Chinese Corporate Governance”, paper presented at conference on “Protection of Investors’ Interests: International Experience and Chinese Practice”, Commercial Law Research Center of the Faculty of Law, Tsinghua University, Beijing, China, 18-19 November 2001

“Economic Development and the Rights Hypothesis: The China Problem”, paper presented at conference on *Law Reform in Developing and Transitional Economies*, Ulaanbaatar, Mongolia, 2-3 July 2001

Interviewed for feature entitled “Detained in China”, broadcast on PBS, *The News Hour with Jim Lehrer*, 18 May 2001 <[http://www.pbs.org/newshour/bb/asia/jan-june01/detained\\_05-18.html](http://www.pbs.org/newshour/bb/asia/jan-june01/detained_05-18.html)>

“Empirical Research in Chinese Law,” paper presented to Rule of Law Workshop, Stanford Law School, 18 April 2001

“Transparency in China’s Regulation of International Trade,” presentation made to audiences from Chinese government, business, and academia in Beijing and Shanghai as part of 5-member United States government mission, 13-25 March 2000

“Courts and Markets in Post-Socialist Transition: China,” paper presented at workshop on *Courts and Markets in Post-Socialist Transition*, University of Wisconsin School of Law, 3 March 2000

“Incentives and the Top-Down Model of Regulation in Chinese Land Law,” paper presented (in Chinese) at *International Conference on the Legal Framework for Rural Land Use Rights in China*, China Institute for Reform and Development, Haikou, Hainan Province, China, 12-14 January 2000

“Corporate Governance in China,” paper presented to members of Project on Corporate Governance in China, Stanford University, Stanford, California, 29 October 1999

“Alternative Approaches to Chinese Law,” lecture delivered at UCLA School of Law, Los Angeles, 28 October 1999

Panelist on “Rule of Law in China – Recent Developments and Prospects,” Inaugural Session of Global Business Briefing Series, Pacific Council on International Relations, Los Angeles, 28 October 1999

“Misunderstanding Chinese Law: The Lure of the ‘Rule of Law’ Paradigm,” lecture delivered at Faculty of Law, City University of Hong Kong, 27 September 1999

- Guest lecturer, Chinese administrative law class of Prof. Wang Xixin, Beijing University Faculty of Law, Beijing, China, 23 September 1999
- “Bankruptcy in Capitalist and Reforming Socialist Economies,” brief course taught to delegation of North Korean legal officials and academics at Beijing University, Beijing, China, 20-23 September 1999
- “Misunderstanding Chinese Law: The Lure of the ‘Rule of Law’ Paradigm,” lecture delivered at Faculty of Law, Waseda University, Tokyo, Japan, 23 June 1999
- “The Enforcement of Civil Judgments in China,” lecture delivered at Faculty of Law, Waseda University, Tokyo, Japan, 19 June 1999
- “China’s Revised Criminal Law,” paper presented at conference on *Contemporary Chinese Legal Development*, sponsored by Chinese Law Society of America, Harvard Law School, Cambridge, Mass., 26-27 March 1999
- “Alternative Approaches to Chinese Law,” lecture delivered at Yale Law School, 25 March 1999
- Commentator, conference on *Administrative Law Reform in China*, sponsored by UCLA Center for Chinese Studies, International Studies & Overseas Programs, UCLA School of Law and Southern California China Colloquium, Los Angeles, 6 March 1999
- Participant, *U.S.-China Symposium on the Legal Protection of Human Rights*, The Aspen Institute, 11-13 December 1998
- “Private Enforcement of Intellectual Property Rights,” paper presented at *Sino-U.S. Conference on Intellectual Property Rights and Economic Development: 1998 Chongqing*, sponsored by the National Bureau of Asian Research, Chongqing, China, 16-18 September 1998
- Commentator, conference on *Law and Development in Asia*, co-sponsored by Asian Development Bank and Harvard University, Council on Foreign Relations, New York, 21 May 1998
- “Introduction to U.S. Capital Markets for Chinese Enterprises,” speech (in Chinese) presented at Investment Promotion Forum sponsored by United Nations Industrial Development Organization, Beijing, 31 March 1998
- “Legal Order as a Prerequisite for Cooperation: The China Problem,” paper presented at *Inaugural University of California at San Diego Social Sciences Research Conference on Cooperation Under Difficult Conditions*, Graduate School of International Relations and Pacific Studies, 18 October 1997
- “Recent Developments in Criminal and Administrative Punishments in China,” paper presented at University of Washington School of Law Conference on Asian Law, Seattle, Washington, 3 August 1996
- “Enforcement of International Awards Involving China and Hong Kong,” paper presented at EuroForum conference on *Dispute Resolution in China and Hong Kong*, London, 31 May 1996
- “China and the WTO,” paper presented at American Conference Institute conference on *Doing Business in China and Hong Kong*, New York, 10 May 1996
- “Recent Developments in Chinese Foreign Investment Law,” talk presented at conference on *Trade and Investment in Emerging Markets: China and India*, New York University School of Law, 17 November 1995

- Commentator on China at *Timothy A. Gelatt Dialogue on Law and Development in Asia*, New York University School of Law, 14 September 1995
- “Round Pegs and Square Holes: China and the GATT,” paper presented at panel on *China in the World Economic Order* at the annual meeting of the Association for Asian Studies, Washington, DC, April 1995
- “Civil Rights in China,” talk delivered to Civil Rights Committee of the Seattle-King County Bar Association, Seattle, March 1995
- “Foreign Business Law and China’s Application to the GATT/WTO,” paper presented at 1990 Institute Conference on Chinese Foreign Trade and Investment Law, San Francisco, March 1995
- “China and the GATT/WTO,” talk delivered to the World Affairs Club, Juneau, Alaska, March 1995
- “The Chinese Court System,” paper presented at *Winter Workshop on East Asian Law*, Center for Pacific Rim Studies, University of California at Los Angeles, January 1995
- “Enforcement of Civil Judgments in a Changing Society: A Chinese Example,” paper presented at annual meeting of the Law and Society Association, Phoenix, Arizona, 17 June 1994
- “The Enforcement of Civil and Economic Judgments in China,” paper presented at symposium on *The Chinese Legal System*, sponsored by the China Quarterly and the School of Oriental and African Studies, University of London, London, U.K., 10-12 May 1994
- “GATT Membership for China?,” paper presented at symposium on *Pacific Rim Trade*, University of Puget Sound School of Law, Washington, 5 November 1993
- “The Creation of a Legal Structure for Market Institutions in China,” paper presented at conference on *The Evolution of Market Institutions in Transition Economies*, Graduate School of International Relations and Pacific Studies, University of California, San Diego, 14-15 May 1993
- Chair/discussant at panel on “Theoretical Perspectives in China’s Legal Reform,” conference on *Chinese Law -- A Re-Examination of the Field: Theoretical and Methodological Approaches to the Study of Chinese Law*, Faculty of Law, University of British Columbia, Vancouver, 22 March 1993
- “Research Methodologies in Chinese Law,” paper presented at conference on *Chinese Law -- A Re-Examination of the Field: Theoretical and Methodological Approaches to the Study of Chinese Law*, Faculty of Law, University of British Columbia, Vancouver, 22 March 1993
- “Enforcement of Civil Judgments in China,” talk delivered at *China Studies Seminar*, University of British Columbia, October 1992
- Discussant at conference on *The Modernization of Chinese Law on Both Sides of the Taiwan Straits*, National Taiwan University College of Law, September 1992
- “Enforcement of Civil Judgments in the People’s Republic of China: Notes from the Field,” talk delivered at Attorney-General’s Chambers, Hong Kong, August 1992
- “Dispute Resolution in China,” talk delivered at Chinese University of Hong Kong, November 1991
- Interviewed on modern Chinese law for program on East Asian legal systems broadcast by BBC World Service (London), September 1991

Discussant at panel on *New Perspectives on Chinese Economic Development*, Western Economic Association Annual Conference, Seattle, 30 June-3 July 1991

“The Trials of the June 4th Defendants,” talk delivered at *East Asian Legal Studies Lunchtime Colloquium*, Harvard Law School, 22 March 1991

“What’s Law Got to Do with It? Legal Institutions and Economic Reform in China,” talk delivered at *East Asian Legal Studies Workshop*, Harvard Law School, 21 March 1991

Guest lecturer, Chinese law class of Prof. William C. Jones, Washington University School of Law, St. Louis, Missouri, 30 January 1991

“Legal Problems of Industrial Economic Reform in China,” talk delivered to *Faculty Forum*, Washington University School of Law, St. Louis, Missouri, 30 January 1991

Speaker and panel chairman, “Chinese Business Law,” at *China Trade Update: Doing Business with China in the 1990s*, conference sponsored by the Washington State China Relations Council, Seattle, Washington, 5 November 1990

“The Future of Democracy in China,” panel discussion sponsored by the Council of International Organizations, Citizens International Center, Seattle, Washington, 21 April 1990

“Why Laws Fail: Central Legislation and the Structure of the Chinese Polity,” paper delivered at *Winter Workshop on East Asian Law*, Center for Pacific Rim Studies, University of California at Los Angeles, 20 January 1990

“The Legal Background to the Behavior of State-Owned Enterprises,” paper delivered at conference on *Ownership Reforms and Efficiency of State-Owned Enterprises* sponsored by the Institute of Economics of the Chinese Academy of Social Sciences and the Ford Foundation, Shenzhen, China, 6 January 1990

“Implications of Recent Events in China for Sino-U.S. Relations,” panel discussion sponsored by U.S.-China People’s Friendship Association and the East Asian Resource Centre, University of Washington, 11 July 1989

“Law and Economic Reform in China,” *London China Seminar*, School of Oriental and African Studies, University of London, 19 May 1988

“Urban Enterprises and the Role of Law in China’s Economic Reforms,” Conference on *The Chinese Developmental State: Change and Continuum*, Institute of Development Studies, University of Sussex, 7-9 April 1988

Interviewed for feature entitled “How is China Run?,” broadcast on BBC World Service, *The World Today*, 25 March 1988

“The 13th Congress of the Chinese Communist Party and China’s Legal Reforms,” Asian Studies Centre, St. Antony’s College, Oxford University, 8 March 1988

“Chinese Economic and Legal Reforms,” John F. Kennedy School of Government, Harvard University, 24 March 1987

Co-organizer and discussant, Conference on *China: Law and Trade 1986*, School of Oriental & African Studies, University of London, 30 June 1986

“The Role of Law in Modern China,” Great Britain China Centre, London, 17 April 1986

“The Foreign Economic Contract Law,” Law-China Society Seminar on China’s Economic Laws,  
London, 17 April 1986



# APPENDIX 2

# EXHIBIT A



December 20, 2017

## **Certification**

### **Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
国家计委、国家经贸委关于发布《关于制止低价倾销工业品的不正当价格行为的规定》和  
加强行业价格自律的通知

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
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ParkIP.com

Notification of the State Planning Commission and the State Economic and Trade Commission regarding  
Issuing Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products and  
Strengthening Price Self-Discipline of Industries

Date: November 16, 1998 Source:

Bureau of Commodity Prices (Councils) of all provinces, autonomous regions, municipalities directly under the Central Government, and municipalities with independent planning status, the State Economic and Trade Commission, the Ministry of Information Industry, the Bureau of Domestic Trade, the State Administration of Metallurgical Industry, the State Administration of Building Materials, the State Administration of Nonferrous Metal Industry, the State Administration of Petrochemical Industry, the State Administration of Machinery Industry, the State Administration of Coal Industry, the State Administration of Textile Industry, and the State Administration of Light Industry,

To prevent unfair price actions through dumping, to protect fair, open and legitimate market competition, to maintain a normal price order, and to safeguard legitimate rights and interests of business operators and consumers, the State Planning Commission and the State Economic and Trade Commission formulated the Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products (hereinafter the “Regulations”) pursuant to the Price Law of the People’s Republic of China and related laws and regulations of the state. The Regulations are hereby promulgated, and related issues are notified as follows:

1. The Regulations are important measures taken by the state to regulate prices on the market of industrial products and important rules to prevent dumping of industrial products, which have legal effect. The promulgation and implementation of the Regulations will have an important impact on maintaining normal production and operation orders of industrial enterprises, promoting a healthy development of the entire industry, and forming a good environment of competition. All places must seriously implement the Regulations, prevent dumping according to the law, standardize the market order, and standardize price behaviors of enterprises.

2. Relevant state agencies in charge of industries may study and propose industrial average production costs pursuant to Article 8 of the Regulations and related product dumping situations, which will be published regularly to the society upon approval by the State Planning Commission to act as an alert level for price self-discipline by enterprises, to restrict pricing actions of enterprises, and to prevent dumping by enterprises. For industrial products with prices decided by the government or prices under the guidance by the government, prices stipulated by the government must still be strictly implemented.

3. Competent departments in charge of prices at all levels must strengthen monitoring and inspection on implementation of the Regulations, seriously accept and process reported cases, and investigate and punish, strictly according to laws and regulations, dumping actions. Any actions involving those under Article 5 of the Regulations shall be investigated and punished as dumping actions according to the law.

4. Industrial organizations must accept work guidance from competent government departments in charge of prices, urge and guide enterprises to seriously implement the Regulations, help competent departments in charge of the industries measure and determine industrial average costs, promptly gather and summarize industrial cost and price information, and proactively play the role of industrial organizations in preventing dumping, organizing enterprises to perform price self-discipline, and coordinating relations between enterprises.

5. All regions and all related departments must organize manufacturing enterprises and marketing enterprises to seriously study the Regulations and consciously implement the Regulations. Prices of products sold by a manufacturing enterprise shall not be lower than industrial average production costs in principle, and the sales prices of a marketing enterprise shall not be lower than its purchasing costs. All manufacturing and marketing enterprises must promptly report on actions that violate the Regulations and constitute dumping actions, proactively cooperate with competent government departments in charge of prices in price monitoring and inspection, and practically prevent dumping actions.

Any situation or issue occurred during implementation of the Regulations will be coordinated by the State Planning Commission and the State Economic and Trade Commission according their respective scope of responsibilities.

Attachment: Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products

Attachment:

Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products

Article 1 To prevent unfair price actions through dumping, to protect fair, open and legitimate market competition, to maintain a normal price order, to protect the national interest, and to safeguard legitimate rights and interests of business operators and consumers, the Regulations are hereby formulated pursuant to the Price Law of the People's Republic of China (hereinafter the "Price Law") and other related laws of the state.

Article 2 The Regulations are applicable to industrial products with prices subject to the market.

Article 3 Any business operator engaging in production and sales of industrial products within the People's Republic of China shall implement the Regulations.

Article 4 The unfair price actions through dumping of industrial products herein refer to actions of a business operator to expel competitors or monopolize the market, such as a production enterprise sells industrial products at prices lower than the enterprise's production costs or a marketing enterprise sells industrial products at prices lower than the enterprise's purchasing costs, which disrupt normal production and operation orders and harm the national interest or legitimate rights and interests of other business operators. A production enterprise's production cost refers to the entire cost in a current month that the enterprise produces an industrial product, including manufacturing cost and to-be-allocated management expenses, financial expenses and sales expenses; a marketing enterprise's purchasing cost includes the purchasing cost in a current month and related shipment and miscellaneous expenses when the marketing enterprise carries an industrial product.

Article 5 The following actions are unfair price actions:

(I) Ex-factory prices of industrial products sold by a manufacturing enterprise are lower than its production costs, and sales prices of a marketing enterprise are lower than its purchasing costs;

(II) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of disguised price decreases, such as using high grade and high level products as low grade and low level products;

(III) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of discounts, subsidies, and the like. Means of discounts, subsidies, and the like include: (1) direct discounts to sales prices, (2) cash discount and price discount for prices at an interest higher than bank loan interests in the same period according to time length and amount of customer prepayments, (3) different price discounts offered to customers in different sales seasons for non-seasonal products, and (4) freight subsidies in certain amount for all or a part of shipping and miscellaneous expenses of customers;

(IV) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of unequal exchanges of goods and materials;

(V) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of using goods and materials to pay back debts other than bankruptcy according to the law;

(VI) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of issuing invoices in amounts less than those of shipping goods or not issuing invoices;

(VII) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of disguised price decreases, such as providing extra quantities, bulk discounts, and the like;  
(VIII) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by other means.

Article 6 The following two situations are not treated dumping actions:

(I) A manufacturing enterprise or a marketing enterprise lowers prices of seasonal industrial products and overstocked industrial products to below costs pursuant to Article 14, Paragraph 2 of the Price Law;  
(II) Due to relatively high costs, a manufacturing enterprise or a marketing enterprise sells industrial products at prices lower than the enterprise's costs but not lower than the industrial average costs, and without harming the national interest or legitimate rights and interests of other business operators.

Article 7 When a manufacturing enterprise or a marketing enterprise lowers prices of seasonal industrial products and overstocked industrial products for sales pursuant to Article 14, Paragraph 2 of the Price Law, the prices must be clearly labelled according to the stipulated items.

Article 8 According to dumping situations in an industry, a state competent department in charge of the industry may send a proposal to the competent department of the State Council in charge of prices that industrial average costs need to be published, and as entrusted by the competent department of the State Council in charge of prices, measures, determines, and regularly publishes industrial average costs thereof.

Article 9 Manufacturing enterprises or marketing enterprises shall use costs plus reasonable profits as a goal when deciding prices of industrial products and participate in market competition with open, fair and legitimate prices. Ex-factory prices of a manufacturing enterprise shall not be lower than the industrial average production costs in principle; and sales prices of industrial products sold by a marketing enterprise shall not be lower than normal purchasing costs. Manufacturing enterprises or marketing enterprises shall decide specific prices by following the principle of pricing according quality and according to standards, specifications and levels of industrial products promulgated by the state, and prohibit sales by mixing grades or selling as gradeless goods.

Article 10 In the case where a manufacturing enterprise sells industrial products at prices lower than industrial average production costs or a marketing enterprise sells industrial products at prices lower than purchasing costs to disrupt the production and operation orders and harm rights and interests of other business operators, any organization or individual may report the case to a competent government department in charge of prices above the provincial level, and the competent government department in charge of prices may conduct investigation into the case to determine whether those are indeed dumping actions.

Article 11 A reporting party shall truthfully report a case by providing factual information regarding unfair price actions of a reported party and details of damages. A reported manufacturing enterprise or marketing enterprise shall cooperate with the competent government department in charge of prices in investigations by truthfully providing requested books, bills, vouchers and other materials.

Article 12 In the case where a reported manufacturing enterprise or marketing enterprise is found through the investigation to truly have one of the unfair price actions listed in Article 5 of the Regulations, the competent government department in charge of prices may order the manufacturing enterprise or the marketing enterprise to correct the action and impose the following punishments according to the Price Law and specific situations: (1) issue a warning; (2) impose a fine; (3) order the manufacturing enterprise or the marketing enterprise to suspend business for rectification; and (4) file a request with an administration for industry and commerce for revocation of its business license.



Article 13 A manufacturing enterprise or a marketing enterprise of industrial products shall establish and improve internal price management, and cost and expense accounting systems to truthfully and accurately record and approve production and purchasing costs of the industrial products, and no fraud will be tolerated.

Article 14 Competent departments at all levels in charge of industries and trade associations of industries shall urge operators of industrial products in respective industries to implement the Regulations. Manufacturing enterprises with sales prices lower than industrial average production costs and marketing enterprises with sales prices lower than purchasing costs may be advised for correction; in the case where an enterprise refuses to accept advice and is suspected of dumping, the enterprise may be directly reported to a competent government department in charge of prices.

Article 15 For actions of sales by decreasing prices that severely disrupt the market order and are difficult to verify individual costs thereof within a short period, the competent department of the State Council in charge of prices may determine whether those actions are dumping actions by temporarily and directly using industrial average production costs and a reasonable range of price decrease.

Article 16 The competent department of the State Council in charge of prices will work with related departments to formulate, according to the Regulations, measures to determine cost of industrial products that are dumped.

Article 17 Imported industrial products shall be subject to the Anti-Dumping and Anti-Subsidy Regulations of the People's Republic of China.

Article 18 The Regulations shall be subjected to interpretation by the State Planning Commission.

Article 19 The Regulations shall go into effect as of November 25, 1998.

国家计委、国家经贸委关于发布《关于制止低价倾销工业品的不正当价格行为的规定》和加强行业价格自律的通知

日期: 1998-11-16 来源:

各省、自治区、直辖市及计划单列市物价局(委员会)、经贸委,信息产业部、国内贸易局、国家冶金局、国家建材局、国家有色局、国家石化局、国家机械局、国家煤炭局、国家纺织局、国家轻工局:

为制止低价倾销的不正当价格竞争行为,维护公平、公开、合法的市场竞争和正常的价格秩序,保护经营者、消费者的合法权益,根据《中华人民共和国价格法》及国家有关法律、法规,国家计委、国家经贸委制定了《关于制止低价倾销工业品的不正当价格行为的规定》(以下简称《规定》),现予发布,并将有关事项通知如下:

一、《规定》是国家对工业品市场价格进行调控所采取的重要措施,是制止低价倾销工业品的重要规章,具有法律效力。《规定》的发布实施,对维持正常的工业企业生产经营秩序,促进整个工业行业的健康发展,形成良好的竞争环境将产生重要影响。各地要认真贯彻执行《规定》,依法制止低价倾销,规范市场秩序,规范企业的价格行为。

二、国家有关行业主管部门可根据《规定》第八条的有关规定和有关产品低价倾销情况,研究提出有关具体品种的行业平均成本,经国家计委同意后,定期向社会发布,作为企业价格自律的警戒线,以约束企业定价行为,防止企业低价倾销。实行政府定价、政府指导价的工业品,仍要严格按照政府规定的价格执行。

三、各级价格主管部门要加强对《规定》执行情况的监督检查,认真受理举报案件,从严查处低价倾销行为。凡涉及《规定》第五条所列行为的,均应作为低价倾销行为依法进行查处。

四、行业组织要接受政府价格主管部门的工作指导,督促、指导企业认真执行《规定》,协助行业主管部门测定行业平均成本,及时掌握、汇总行业成本、价格信息,积极发挥行业组织在制止低价倾销、组织企业进行价格自律和协调企业之间关系等方面的作用。

五、各地区和各有关部门要组织生产企业和经销企业认真学习《规定》,自觉执行《规定》。生产企业销售的产品价格原则上不应低于行业平均生产成本,经销企业的销售价格不应低于其进货成本。各生产、经销企业对违反《规定》,构成低价倾销行为的要及时举报,并积极配合政府价格主管部门进行价格监督检查,切实制止低价倾销行为。

《规定》执行中出现的情况和问题由国家计委、国家经贸委根据各自的工作职责范围进行协调。

附：《关于制止低价倾销工业品的不正当价格行为的规定》

附：

关于制止低价倾销工业品的

不正当价格行为的规定

第一条 为制止低价倾销工业品的不正当价格行为，维护公平、公开、合法的市场竞争和正常的价格秩序，维护国家利益，保护经营者和消费者的合法权益，根据《中华人民共和国价格法》（以下简称《价格法》）及国家其他有关法律，制定本规定。

第二条 本规定适用于实行市场调节价格的工业品。

第三条 凡在中华人民共和国境内从事生产、销售工业品的经营者，均应执行本规定。

第四条 本规定所称低价倾销工业品的不正当价格行为是指经营者为了排挤竞争对手或独占市场，生产企业以低于本企业生产成本销售工业品，经销企业以低于本企业进货成本销售工业品，扰乱正常的生产经营秩序，损害国家利益或者其他经营者合法权益的行为。生产企业生产成本是指企业生产该工业品的当月完全成本，包括制造成本和应分摊的管理费用、财务费用、销售费用；经销企业进货成本包括经销企业经营该工业品时的当月进货价格和相关运杂费。

第五条 以下行为属于低价倾销不正当价格行为：

（一）生产企业销售工业品的出厂价格低于本企业生产成本的，经销企业的销售价格低于本企业进货成本的；

（二）采用高规格、高等级充抵低规格、低等级等手段，变相降低价格，使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的；

（三）通过采取折扣、补贴等手段，使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的。折扣、补贴等手段包括：（1）对销售价格直接折扣，（2）根据用户提前付款的时间长短和金额多少的不同，以高于银行同期贷款利率，在价格上给予现金折扣和价格折让，（3）对非季节性产品在不同销售季节对用户给予不同价格折让，（4）对用户全部或部分承担运杂费或给予一定数量的运费补贴；

（四）进行非对等物资串换，使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的；

（五）除依法实行破产外，通过以物抵债，使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的；

（六）采取多发货少开票或不开票方式经销，使生产企业实际出厂价格低于本企业生



产成本，经销企业实际销售价格低于本企业进货成本的；

（七）通过多给数量、批量优惠等方式，变相降低价格，使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的；

（八）采用其他方式使生产企业实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本的。

第六条 以下两种情况不视为低价倾销行为：

（一）生产企业或经销企业依据《价格法》第十四条第二款规定，以低于成本的价格降价处理季节性、积压性工业品的；

（二）生产企业或经销企业由于成本较高，以低于本企业成本但不低于行业平均成本的价格销售，未对国家利益或者其他经营者利益造成损害的。

第七条 生产企业或经销企业依据《价格法》第十四条第二款规定，对季节性工业品、积压工业品降价出售时，必须按规范的项目明码标价。

第八条 国家工业行业主管部门可根据本行业产品低价倾销情况，向国务院价格主管部门提出需发布行业平均成本的工业品种建议，并接受国务院价格主管部门的委托，测定和定期发布其行业平均生产成本。

第九条 生产企业或经销企业制定工业品价格应以成本加合理利润为目标，以公开、公正、合法的价格参与市场竞争。生产企业的工业品出厂价格原则上不应低于行业平均生产成本；经销企业的工业品销售价格不应低于正常进货成本。生产企业或经销企业应当遵循按质论价原则，按照国家颁布的工业品标准和规格、等级制定具体价格，禁止混等和按统货出售。

第十条 生产企业以低于行业平均生产成本或经销企业以低于进货成本销售工业品，造成生产经营秩序混乱，并损害了其他经营者权益，任何单位和个人都可以向省级以上政府价格主管部门举报，政府价格主管部门可以根据情况立案调查，以确定是否属低价倾销行为。

第十一条 举报人应据实反映情况，提供被举报人不正当价格行为的事实材料及被损害情况。被举报的生产企业或经销企业应当配合政府价格主管部门调查，如实提供所需的帐簿、单据、凭证以及其它资料。

第十二条 经调查认定，被举报的生产企业或经销企业确有本规定第五条所列不正当价格行为之一的，政府价格主管部门可以责令其改正，并视具体情况依据《价格法》进行下列处罚：（1）予以警告；（2）处以罚款；（3）责令其停业整顿；（4）提请工商行政

管理

机构吊销其营业执照。

第十三条 工业品生产企业或经销企业应当建立、健全内部价格管理及成本、费用核算制度，据实、准确记录与核定工业品的生产成本及进货成本，不得弄虚作假。

第十四条 各级工业行业主管部门、工业行业协会要督促本行业工业品经营者执行本规定。对生产企业低于行业平均生产成本销售的、经销企业低于正常进货成本销售的，可以规劝其改正；对于不接受规劝，有低价倾销嫌疑的，可以向政府价格主管部门直接举报。

第十五条 国务院价格主管部门对严重扰乱市场秩序，短期内难以核实其个别成本的降价销售行为，可临时采取直接依据行业平均成本和合理的下浮幅度的办法认定其是否为低价倾销行为。

第十六条 国务院价格主管部门将会同有关部门依据本规定制定低价倾销工业品的成本认定办法。

第十七条 进口工业品适用《中华人民共和国反倾销和反补贴条例》。

第十八条 本规定由国家计委负责解释。

第十九条 本规定自 1998 年 11 月 25 日起执行。

# APPENDIX 3



# EXHIBIT D



December 20, 2017

## Certification

### Park IP Translations

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
关于报送彩电、彩管行业成本资料的通知

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

File No.	Catalogue No.	Record No.	Sequence No.
	[illegible]	2	2

P 1

Document of the Ministry of Information Industry  
Xin Bu Yun [1999] No. 121

Notification of Reporting Cost Information for Color TV and Color CRT Industry

To all relevant enterprises:

To prevent actions of unfair price competition through dumping in the color TV and color CRT industry, to protect fair, open and legitimate market competition, to maintain a normal price order, and to safeguard legitimate rights and interests of business operators and consumers, this Ministry plans to estimate and publish average industry production costs of some types of color TVs and color CRTs through consultation with and upon approval by the State Planning Commission pursuant to instructions by leaders of the State Council and the Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products Ji Jia Ge (1998) No. 2332 by the State Planning Commission and the State Economic and Trade Commission. To successfully complete this task, this Ministry hereby sends you a notification of related requirements as follows:

1. Enterprises on the list (see Attached Table 1) shall fill in the attached Tables 2 and 3 with their respective production and cost information of 21" and 25" color TVs or color CRTs in the 4<sup>th</sup> quarter of 1998, and report the information by February 10, 1999. Information for each subsequent quarter shall be reported within 10 days after said each quarter. Each enterprise shall designate a specific person to be in charge of this task and periodically report relevant information. This Ministry will rigorously keep confidentiality of the information reported by enterprises to prevent leakage of business secrets of the enterprises.

- 1 -

Electronic Industry Archives	
Copy	No. 2017049

2. On the basis of production and cost information reported by the enterprises, this Ministry will estimate and publish average industry production costs of some of color TVs and color CRTs. For enterprises with sales prices lower than the average industry production costs, this Ministry will work with the State Planning Commission and other departments to perform investigations pursuant to the Regulations on Preventing Unfair Price Actions through Dumping of Industrial Products. Enterprises found through the investigation to truly have actions of unfair price competition through dumping will be punished.

3. The Department of Economic System Reform and Economic Operations of this Ministry is in charge of this task of estimation and publication of average industry production costs for the color TV and color CRT industry.

Telephone: 010-68208341, 68208342.

Fax: 010-68277286

Contacts: Fusuo Bao, Tingru Liu

Address: No. 27 Wanshou Road, Beijing

Zip code: 100846

This Notification shall go into effect as of the date of issuance.

Attachments: 1. List of enterprises to report production and cost information of color TVs or color CRTs

2. Table of quarterly production and cost information of color TVs

3. Table of quarterly production and cost information of color CRTs

Keywords:
Cc
Information

(No text on this page)

February 3, 1999  
(Seal of the Ministry of Information Industry of the  
People's Republic of China)

Keywords: color TV, color CRT, cost, notification

Cc: The State Planning Commission and the State Economic and Trade Commission.

The General Office of the Ministry of Information Industry

Printed and distributed on  
February 3, 1999

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#### Attachment 1

List of enterprises to report production and cost information of color TVs or color CRTs

1. Sichuan Changhong Electronic Group Co., Ltd.
2. Konka Group Co., Ltd.
3. TCL Group Co., Ltd.
4. Shenzhen Chuangwei-RGB Electronics Co., Ltd.
5. Qingdao Hisense Group Co., Ltd.
6. Xiamen Overseas Chinese Electronic Co., Ltd.
7. Panda Electronics Group Co., Ltd.
8. Shanghai Guandong (Group) Co., Ltd.
9. Beijing Peony Electronic Group Co., Ltd.
10. Guangdong Gaoluhua TV Co., Ltd.
11. Caihong Group Corporation
12. Beijing Matsushita Color CRT Co., Ltd.
13. Shanghai Novel Color Picture Tube Co., Ltd.
14. Huafei Color Display Systems Co., Ltd.
15. Shenzhen SEG Hitachi Display Component Co., Ltd.
16. Guangdong Color Picture Tube Co., Ltd.
17. Lejin Shuguang Electronic Co., Ltd.
18. Shenzhen Samsung Electronic Tube Co., Ltd.

#### Attachment 2 Table of quarterly production and cost information of color TVs



Attachment 2

Table of quarterly production and cost information of color TVs

Filled by (company seal affixed)

Unit: Yuan

	Size	Production quantity (unit)	Sales quantity (unit)	Unit cost					Ex-factory price			Inventory at end of quarter (unit)
				Manufacturing cost	Financial expenses	Sales expenses	Management expenses	Total cost	Sales tax and surtaxes	Average ex-factory price	Lowest ex-factory price	
Verified number for the previous quarter	21"											
	25"											
Predicted number for the current quarter	21"											
	25"											

Filled by:

Telephone:

Filled on:

Instructions: if there are different models for the same size, the model with a lower cost shall be filled in the table.

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Attachment 3

Table of quarterly production and cost information of color CRTs

Filled by (company seal affixed)

Unit: Yuan

	Size	Production quantity (piece)	Sales quantity (piece)	Unit cost					Ex-factory price			Inventory at end of quarter (piece)
				Manufacturing cost	Financial expenses	Sales expenses	Management expenses	Total cost	Sales tax and surtaxes	Average ex-factory price	Lowest ex-factory price	
Verified number for the previous quarter	21"											
	25"											
Predicted number for the current quarter	21"											
	25"											

Filled by:

Telephone:

Filled on:

Instructions: if there are different models for the same size, the model with a lower cost shall be filled in the table.

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# 信息产业部文件

信部运〔1999〕121号

## 关于报送彩电、彩管行业成本资料的通知

各有关企业：

为制止彩电、彩管行业低价倾销的不正当价格行为，维护公平、公开、合法的市场竞争和正常的价格秩序，保护经营者、消费者的合法权益，根据国务院领导的批示和国家计委、国家经贸委计价格（1998）2332号《关于制止低价倾销工业品的不正当价格行为的规定》，经商国家计委同意，我部拟对彩电、彩管部分品种测定和发布其行业平均生产成本。为做好这项工作，现将有关要求通知如下：

1、列入名单的企业（见附表一）要在99年2月10日前，将本企业21英寸、25英寸彩电或彩管98年四季度的产量、成本资料按附表二、三的内容填报后上报。以后每季度后10日内及时

- 1 -

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上报。各企业要设专人负责此项工作,并定期上报有关资料。我部将对企业上报资料严格保密,以避免企业商业机密的泄漏。

(此页:

2、在企业上报产量、成本资料的基础上,我部将测算出部分彩电、彩管的行业平均生产成本,并予以公布。对低于行业平均生产成本销售的企业,我部将配合国家计委等部门,按照《关于制止低价倾销工业品的不正当价格行为的规定》进行调查。对经调查认定确有低价倾销不正当价格行为的企业,将进行处理。

3、我部经济体制改革与经济运行司负责彩电、彩管行业平均生产成本的测算与发布工作。

联系电话:010—68208341、68208342。

传真:010—68277286

联系人:暴福锁 刘延儒

地址:北京万寿路27号

邮编:100846

本通知自下发之日起执行。

附件:一、上报彩电、彩管成本、价格资料的企业名单

二、彩电季度成本、价格资料表

三、彩管季度成本、价格资料表

主题词

抄 主

信息

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资  
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主题词：彩电 彩管 成本 通知

抄 送：国家计委，国家经贸委。

信息产业部办公厅

一九九九年二月三日印发

4  
附件一

## 上报彩电、彩管成本、价格资料企业名单

- 1、四川长虹电子集团公司
- 2、康佳集团股份有限公司
- 3、TCL集团有限公司
- 4、深圳创维—RGB电子有限公司
- 5、青岛海信集团公司
- 6、厦门华侨电子企业有限公司
- 7、熊猫电子集团股份有限公司
- 8、上海广电(集团)有限公司
- 9、北京牡丹电子集团公司
- 10、广东高路华电视机有限公司
- 11、彩虹集团公司
- 12、北京松下彩管有限公司
- 13、上海永新彩色显象管有限公司
- 14、华飞彩色显示系统有限公司
- 15、深圳赛格日立显示器件有限公司
- 16、广东彩色显象管有限公司
- 17、乐金曙光电子有限公司
- 18、深圳三星电管有限公司

彩色电视机季度成本、价格资料表



附件二

彩色电视机季度成本、价格资料表

单位:元

填报单位(加盖公章):

	规格	生产数量 (台)	销售数量 (台)	单位成本				出厂价格				季末 库存 (台)
				制造 成本	财务 费用	销售 费用	管理 费用	完全 成本	销售税金 及附加	平均 出厂价	最低 出厂价	
上季核定	21英寸											
	25英寸											
本季预测	21英寸											
	25英寸											

填报人:

联系电话:

填报时间:

填表说明:同一规格中如有不同型号,按成本低的型号填写。

附件三

彩色显象管季度成本、价格资料表

填报单位(加盖公章):

单位:元

规格	生产数量 (只)	销售数量 (只)	单 位 成 本					出 厂 价 格			季末 库存 (只)
			制造 成本	财务 费用	销售 费用	管理 费用	完全 成本	销售税金 及附加	平均 出厂价	最低 出厂价	
上季核定	21英寸										
	25英寸										
本季预测	21英寸										
	25英寸										

填报人:

联系电话:

填报时间:

填表说明:同一规格中如有不同型号,按成本低的型号填写。

# APPENDIX 4



February 14, 2022

## Certification

### Park IP Translations

#### TRANSLATOR'S DECLARATION:

I, Samuel Chong, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of:

国家计委关于印发《低价倾销工业品的成本认定办法（试行）》的通知（1999年3月1日起执行）

Samuel Chong

Project Number: BBLP\_2202\_P0002

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

# **Circular of the State Development Planning Commission on Issuing the Measures for Determining the Cost of Low-price Dumped Industrial Products (Trial)**

Issued on February 23, 1999; Effective on March 1, 1999      Effective

## **Basic information**

Document No: JJG[1999]177

Level of validity

Validity: Currently effective

Date of publication: February 23, 1999

Date of implementation: March 1, 1999

Published by the State Development Planning Commission

## **Text**

Price bureaus (commissions) of provinces, autonomous regions, municipalities directly under the central government and municipalities with independent planning status, the Ministry of Information Industry, the State Administration of Internal Trade, the State Administration of Metallurgical Industry, the State Administration of Construction Materials Industry, the State Administration of Machinery Industry, the State Administration of Chemical Industry, the State Administration of Nonferrous Metals Industry, the State Administration of Coal Industry, and the State Administration of Textile Industry:

In order to prevent low-price dumping of industrial products, we have drafted the Measures for Determining the Cost of Low-price Dumped Industrial Products (Trial) according to the Provisions on Stopping Unfair Price Behaviors of Dumping Industrial Products at Low Prices, which were jointly published by the State Development Planning Commission and the State Economic and Trade Commission. The Measures have been issued, and you shall implement them and report to the State Development Planning Commission when you find any problems in the implementation process.

### **Measures for Determining the Cost of Low-price Dumped Industrial Products (Trial)**

Article 1 The Measures are drafted in order to stop unfair price behaviors of dumping industrial products at low prices, and in accordance with the Provisions on Stopping Unfair Price Behaviors of Dumping Industrial Products at Low Prices, as well as other financial & accounting laws, regulations, and systems.

Article 2 The Measures are applicable to industrial products with average costs estimated and released in accordance with the Provisions on Stopping Unfair Price Behaviors of Dumping Industrial Products at Low Prices.

Article 3 When an enterprise sells industrial product at price lower than the average cost released by industry regulators, and it's reported by other enterprises and individuals, the government's price authorities should look into the case and determine the product's cost according to the measures.

Article 4 The cost of industrial products mentioned in the Measures refers to the unit cost incurred in the production and sales of such industrial products. The cost of a manufacturing enterprise includes manufacturing cost, expenses (administrative expenses, sales expenses and financial expenses) that should

be reasonably apportioned, as well as sales tax and surcharges incurred for the sale of the product. The cost of a distribution enterprise includes the unit purchase price of the industrial product, the unit freight and miscellaneous expenses that should be apportioned and tax that should be paid.

Article 5 The State Council and provincial price authorities determine the cost of low-price dumped industrial products.

Article 6 Cost of low-price dumped industrial products shall be determined according to the following principles:

1. Cost shall be determined according to relevant provisions in the *Accounting Law of the People's Republic of China, the Accounting Standards for Business Enterprises, the General Rules for Enterprise Finance*, and industry financial accounting systems.

2. Cost shall be determined in line with the basic and general principles of accounting and according to the actual cost. When production expenses are accumulated and allocated, direct expenses are directly included in cost accounting, indirect expenses are apportioned in cost accounting according to the specified standard or a certain proportion. Once an enterprise's cost calculation and apportionment method is determined, it shall not be changed arbitrarily. After the cost allocation standard of indirect expenses is determined, it shall not be changed within one accounting year.

3. When determining the cost, the depreciation cost difference generated within a range specified by the state is generally recognized. However, the cost difference caused by the following circumstances shall not be recognized and shall be added at the time of cost determination:

- (1) Cost difference caused by the enterprise's depreciation rate that is lower than the minimum depreciation rate specified by the state;
- (2) Cost difference caused by special preferential policies enjoyed by the enterprise;
- (3) Cost difference caused by expenses that have not been accrued and amortized because the enterprise does not carry out accounting practices on the accrual basis;
- (4) Cost difference caused by the enterprise adopting inappropriate measures to reduce cost.

4. When determining the cost, a production enterprise shall take the cost of the previous month as the accounting basis, and if necessary, cost in the past can also be taken into account; a distribution enterprise shall take the actual cost of the current batch of products as the accounting basis.

Article 7 The unit full cost of a production enterprise shall be calculated according to the following provisions:

1. Manufacturing cost is based on the accurate, true and reliable data of the corresponding products and specifications in the enterprise's cost report.

2. Period cost allocation. Firstly, calculate the ratio of the current period expenses (deducting sales expenses of specific products) to the total manufacturing cost (or total manufacturing hours) of all completed products as the apportionment coefficient. Secondly, the apportionment coefficient is multiplied by the unit manufacturing cost (or unit manufacturing hours) of the corresponding products and specifications to determine the period cost to be apportioned for the product. The formula is shown below:

(1) A product's unit period expense to be apportioned = the product's unit manufacturing cost (or unit manufacturing hours) × apportionment coefficient



(2) Apportionment coefficient = Total period expenses (deducting sales expenses for specific products) ÷ total manufacturing cost (or total manufacturing hours) of all completed products

3. Apportionment of sales tax and surcharges. Firstly, check the sales tax, surcharges and sales revenue in the income statement, figure out the proportion of sales tax and surcharges in the sales revenue and take it as the apportionment coefficient. Secondly, the apportionment coefficient is multiplied by the sales price of the corresponding products and specifications, to calculate the unit sales tax and surcharges to be apportioned. The formula is shown below:

(1) A product's sales tax and surcharges to be apportioned = the product's unit price × apportioned coefficient

(2) Apportionment coefficient = Sales tax and surcharges for all products sold in a period ÷ total sales revenue for all products sold in the period

Article 8 The cost of a distribution enterprise shall be calculated according to the sum of the purchase price, the freight cost and miscellaneous expenses and tax payable. The formula is shown below:

1. A merchandise's unit cost = unit purchase price + unit freight cost to be apportioned + unit tax payable

2. Unit freight cost to be apportioned = unit purchase price × apportionment coefficient

3. Apportionment coefficient = Total freight expenses in a purchase ÷ total purchase price

Article 9 Cost of low-price dumped industrial products shall be determined according to the following procedures:

1. The competent price department of the government shall file a case against suspected low-cost dumping reported by relevant units and individuals due to market disorder caused by selling at a price lower than the average cost of the industry.

2. After a case is filed, if cost investigation is necessary, the government's price department can conduct cost investigation, or commission the industry regulator, industry association or an intermediary to do the job. Investigators (No less than two persons) shall determine the enterprise's cost according to the Accounting Law of the People's Republic of China, the Accounting Standards for Business Enterprises, the General Rules for Enterprise Finance, and industry financial accounting systems, as well as authentic and reliable data provided by the enterprise, and issue a cost determination report.

3. Based on a review of the cost determination report, the government's price department shall determine whether the enterprise has dumped products at unreasonably low prices, and impose fines according to the law if dumping practices are substantiated.

Article 10 If the information provided by the investigated enterprise is incomplete, making it difficult to determine the cost, or to verify the cost in the short term, but the enterprise's price reduction has obviously had a significant impact on the market order and the national economy and seriously damaged the interests of other business operators, which must be stopped in time, the price department under the State Council may temporarily determine whether it is a low-cost dumping by adopting the average cost of the industry and a reasonable downward floating range. The downward floating range shall be determined by the price department of the State Council in conjunction with the industry department according to market conditions and the advanced production level of the industry.

Article 11 The Measures will be revised and explained by the State Development Planning Commission.

Article 12 The Measures will be implemented from March 1, 1999.



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您的位置：法律快车 > 法律法规 > 国家计委关于印发《低价倾销工业品的成本认定办法（试行）》的通知

# 国家计委关于印发《低价倾销工业品的成本认定办法（试行）》的通知

颁布时间：1999-02-23 实施日期：1999-03-01 有效

## 基本信息

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发布机关 国家发展计划委员会

## 正文

各省、自治区、直辖市及计划单列市物价局（委员会）、信息产业部、国家内贸局、国家冶金局、国家建材局、国家机械局、国家化工局、国家有色局、国家煤炭局、国家纺织局：

为制止低价倾销工业品的不正当价格行为，根据国家计委、国家经贸委颁布的《关于制止低价倾销工业品的不正当价格行为的规定》，我们制定了《低价倾销工业品的成本认定办法（试行）》，现印发给你们，请认真贯彻执行。执行中出现的问题，请及时向国家计委反映。

### 低价倾销工业品的成本认定办法（试行）

第一条 为制止低价倾销工业品的不正当价格行为，根据《关于制止低价倾销工业品的不正当价格行为的规定》和国家有关财务会计法律、法规及制度，制定本办法。

第二条 本办法适用于依据《关于制止低价倾销工业品的不正当价格行为的规定》测定发布行业平均成本的工业品。

第三条 当企业以低于国家有关行业主管部门发布的行业平均成本的价格销售工业品，受到有关单位和个人举报时，政府价格主管部门应及时立案调查并依据本办法组织进行该工业品成本认定。

第四条 本办法所称工业品成本是指企业生产、销售该工业品发生的相关单位成本费用。生产企业的成本包括制造成本和应合理分摊的期间费用（管理费用、销售费用和财务费用）以及为销售该产品而发生的销售税金和附加。经销企业的成本包括该工业品单位进价和应分摊的单位运杂费以及应纳价内税。

第五条 国务院和省级政府价格主管部门是低价倾销工业品的成本认定机构。

快速咨

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工伤鉴定是自己还是单  
工伤鉴定书单位没有给  
工伤鉴定书被单位拿走  
女企业家实名举报索贿

## 热门标签

婚姻继承 知识产权  
程序法 合同债权  
劳动 公司法  
房地产 医疗保险

## 咸阳推荐律师



白鹏君律师  
177-3062-1777

18

第六条 低价倾销工业品的成本认定应遵循以下原则：

在线律师

一、成本认定按照《中华人民共和国会计法》、《企业会计准则》、《企业财务通则》和行业财务会计制度的规定进行。

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二、成本认定遵循会计核算的基本原则和一般原则，按照实际成本认定。生产费用归集和分配时，直接费用直接计入成本核算对象，间接费用按规定的标准或一定的比例分摊计入成本核算对象。企业成本计算及分摊方法一经确定，不得随意变更。间接费用的分配标准确定后，一个会计年度内不得变动。

详细描述问题

律师细致解答

快速咨询

三、成本认定时，一般承认在国家规定的折旧提取范围内产生的折旧成本差异。但以下情况造成的成本差异不予承认，应在成本认定时追加：

- (一) 企业折旧率低于国家规定的低限折旧率造成的成本差异；
- (二) 企业因享受特殊优惠政策造成的成本差异；
- (三) 企业未按权责发生制进行核算，期间费用应提未提、应摊未摊造成的成本差异；
- (四) 企业采取不正当手段降低成本造成的成本差异。

四、成本认定时，生产企业按上月成本为确认依据，必要时可根据情况考核企业以前的成本；经销企业按当批商品的实际发生成本为确认依据。

第七条 生产企业单位完全成本按以下规定核算：

一、制造成本以企业成本报表中对应品种、规格的准确、真实、可靠的数据为依据。

二、期间费用分配。首先计算出当期期间费用（扣除特定产品销售费用）与全部完工产品总制造成本（或总制造工时）的比率，作为分摊系数。其次，用分摊系数分别乘对应品种、规格的单位制造成本（或单位制造工时），确定该产品应分摊的期间费用。计算公式如下：

(一) 该产品应分摊的单位期间费用 = 该产品单位制造成本（单位制造工时）× 分摊系数

(二) 分摊系数 = 当期全部期间费用（扣除特定产

品销售费用）÷ 当期全部完工产品总制造成本（总制造工时）

三、销售税金及附加的分配。首先根据损益表中的销售税金及附加和销售收入，计算出销售税金及附加占销售收入的比例，作为分摊系数。其次，用分摊系数乘以对应品种、规格的销售价格，作为应分摊的单位销售税金及附加。具体计算公式如下：

(一) 该产品应分摊的产品销售税金及附加 = 该产品单位售价 × 分摊系数

(二) 分摊系数 = 当期全部产品销售税金及附加 ÷ 当期全部产品销售收入之和



第八条 经销企业成本按进货价格与相应发生的运杂费及应纳税内税之和计算。具体计算公式如下：

在线律师

一、某商品单位成本 = 该商品单位进价 + 该商品应分摊的单位运杂费 + 该商品应纳税内税

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二、该商品应分摊的运杂费 = 该商品单位进价 × 分摊系数

详细描述问题

律师细致解答

三、分摊系数 = 本次采购发生的全部运杂费 ÷ 本次采购全部商品进价之和

快速咨询

第九条 低价倾销工业品的成本按以下程序认定：

一、政府价格主管部门对以低于发布行业平均成本的价格销售，造成市场秩序混乱，受到有关单位和个人举报的涉嫌低价倾销行为要及时立案。

二、涉嫌低价倾销案件立案后，需要进行成本调查的，政府价格主管部门可直接进行成本调查，也可委托有关行业主管部门或行业协会组织、中介机构进行成本调查。调查人员（不得少于2人）应按照《中华人民共和国会计法》、《企业会计准则》、《企业财务通则》及行业财务会计制度和企业真实、可靠数据，认定企业成本。在核实确认的基础上，出具成本认定报告。

三、政府价格主管部门在审核成本认定报告基础上，做出被调查企业是否低价倾销的判定，确属低价倾销行为的，依法进行处罚。

第十条 如被调查企业提供资料不全，使成本认定难以进行，或短期内难以核定其成本，但企业的降价行为已明显对市场秩序和国民经济造成重大影响，严重损害了其他经营者利益，必须及时制止时，国务院价格主管部门可临时采取直接依据行业平均成本和合理下浮幅度的办法认定其是否为低价倾销行为。行业平均成本下浮幅度由国务院价格主管部门会同行业主管部门根据市场状况、行业先进生产水平等情况确定。

第十一条 本办法由国家计委负责修订和解释。

第十二条 本办法自1999年3月1日起施行。

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# APPENDIX 5



# EXHIBIT B



December 20, 2017

## **Certification**

### **Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
国家计委、信息产业部印发关于制止彩色显像管、彩色电视机不正当价格竞争试行办法的通知

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

Notification that the State Planning Commission and the Ministry of Information Industry print and distribute Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs

Date of distribution: June 27, 2008

Number of browses: 4

Font: [large medium

small]

Share

Bureau of Commodity Prices (Councils) and Competent Departments in Charge of the Electronic Industry of all provinces, autonomous regions, municipalities directly under the Central Government, and municipalities with independent planning status:

To prevent actions of unfair price competition through dumping in the color TV and color CRT industry and to maintain a normal market competition order, the State Planning Commission and the Ministry of Information Industry formulated the Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs (hereinafter the “Measures”), which is hereby printed and distributed to you. You are asked to seriously implement the Measures. Related issues are hereby notified as follows:

1. Prices of color TVs have fallen sharply over recently years due to the oversupply of products and increasingly fierce market competition. In the price cutting competition, some color TV and color CRT manufacturing enterprises sell the products at prices lower than production costs, which disrupts normal price order and harm legitimate rights and interests of other business operators and consumers. The competent departments in charge of price and electronics in all places must work with related departments in planning, economic and trade, strengthen leadership, and work closely to implement the Measures.

2. According to the spirit of instructions of leading comrades of the State Council, the State Planning Commission and the Ministry of Information Industry have decided to treat color TVs and color CRTs as key products for Preventing dumping and regulating the market order according to the law in 1999. All places must strengthen monitoring and inspection, and the main content of inspection includes: whether ex-factory prices of color CRT and color TV manufacturing enterprises are lower than their production costs, and whether the sales prices of marketing enterprises are lower than their purchasing costs; whether sales are made at low prices by means of discounts, subsidies, and offering extra quantities; whether sales are made at low prices by means of using raw materials and parts and components imported through smuggling, lowering performance indexes, using shoddy products as good products, reporting false costs, etc.

3. All color CRT and color TV manufacturing enterprises must strictly comply with all provisions in the Measures, consciously regulate pricing actions, truthfully and accurately record and verify

production costs and purchasing costs, strictly prohibit allocating less expenses and falsely reporting costs. At the same time, the enterprises must check and correct, on their own, any action of unfair price competition and actively report actions of unfair price competition to competent departments in charge of prices.

4. Please promptly report any problem occurred in the process of implementing the Measures, monitoring and inspection in all places to the State Planning Commission and the Ministry of Information Industry.

Attachment: Attachment of Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs

#### Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs

Article 1 To prevent actions of unfair price competition in the color TV and color CRT industry, to protect fair, open and legitimate market competition, to maintain a normal price order, to protect the national interest, and to safeguard legitimate rights and interests of business operators and consumers, the Measures are hereby formulated according to the Price Law of the People's Republic of China (hereinafter the "Price Law") and other related laws of the state.

Article 2 Any business operator engaging in production and sales of color CRTs and color TVs within the People's Republic of China shall implement the Measures.

Article 3 The actions of unfair price competition herein refer to actions of a business operator to sell products at prices lower than the enterprise's cost or sell products at low prices by reducing costs using unfair means, so as to expel competitors or monopolize the market, which disrupt normal production and operation orders and harm the national interest or legitimate rights and interests of other business operators.

Article 4 The following actions of color CRT and color TV operators are actions of unfair price competition:

(I) Ex-factory prices of a manufacturing enterprise are lower than its production costs in the same period, and sales prices of a marketing enterprise are lower than its purchasing costs in the same period;

(II) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs, and actual sales prices of a marketing enterprise are made to be lower than its purchasing costs by means of discounts, subsidies, and offering extra quantities;

(III) Sales are made at low prices by means of using raw materials and parts and components imported through smuggling, lowering performance indexes, using shoddy products as good products, reporting false costs, etc.;

(IV) A color CRT buyer with relatively great advantages in market shares uses its advantageous position to force a color CRT manufacturing enterprise to sell products at prices lower than its production costs;

(V) Actual ex-factory prices of a manufacturing enterprise are made to be lower than its production costs in the same period, or actual sales prices of a marketing enterprise are made to be lower than its purchasing costs in the same period by using other means.

Article 5 The Ministry of Information Industry regularly publishes industrial average production costs of main types and sizes of color CRTs and color TVs. The State Planning Commission and the Ministry of Information Industry determine and publish a reasonable amplitude of price decrease.

Article 6 Ex-factory prices of a manufacturing enterprise shall not be lower than the industrial average production costs in principle; and the sales prices of a marketing enterprise shall not be lower than normal purchasing costs.

Article 7 In the case where a manufacturing enterprise sells products at prices below published industrial average production costs, or a marketing enterprise sells products at prices below its purchasing costs in the same period, leading to market price disorder and harms to interests of other manufacturing enterprises or marketing enterprises, the harmed manufacturing enterprises or marketing enterprises may report the issue to the State Planning Commission or a competent department in charge of prices of a province, autonomous region or municipality directly under the Central Government; and the competent government department in charge of prices shall perform investigation into the case according to the situation.

Article 8 A reporting party shall truthfully report a case by providing factual information regarding actions of unfair price competition of a reported party and details of damages. A reported business operator shall cooperate with a competent government department in charge of prices in investigations by truthfully providing related books, bills, vouchers and other materials.

Article 9 In the case where a reported operator of color CRTs and color TVs is found through the investigation to truly have actions of unfair price competition listed in Article 4 of the Measures, the competent government department in charge of prices shall order the operator to correct the action and impose the following punishments according to the Price Law and specific situations:

- (I) Issue a warning;
- (II) Impose a fine;
- (III) Order the operator to suspend business for rectification;
- (IV) File a request with an administration for industry and commerce for revocation of its business license.

Article 10 When performing inspections, a competent department in charge of prices should first use individual costs of producers or operators as a main determination basis. When it is difficult to confirm an individual cost, industrial average production costs and a reasonable amplitude of price decrease are used as main determination bases.

Article 11 An operator of color CRTs and color TVs shall establish and improve internal price management, and cost and expense accounting systems to truthfully and accurately record and approve production and purchasing costs, and no fraud will be tolerated.

Article 12 Competent departments at all levels in charge of the electronic industry and the color CRT and color TV trade association shall urge operators of color CRTs and color TVs to implement the Measures. For manufacturing enterprises and marketing enterprises that violate the Measures, they shall be advised to correct; in case where the advice is invalid, and a report may be filed with a competent department in charge of prices for official investigations.

Article 13 The Measures shall be subjected to interpretation by the State Planning Commission.

Article 14 The Measures shall go into effect as of April 1, 1999.



国家计委、信息产业部印发关于制止彩色显像管、彩色电视机不正当价格竞争的  
试行办法的通知

发布日期：2008-06-27 浏览次数：4 字体：[ 大 中 小 ] 分享

各省、自治区、直辖市及计划单列市物价局（委员会），电子工业主管部门：

为了制止彩色显像管、彩色电视机行业的不正当价格竞争行为，维护正常的  
市场竞争秩序，国家计委、信息产业部制定了《关于制止彩色显像管、彩色电视  
机不正当价格竞争的试行办法》（以下简称《办法》），现

印发给你们，请认真贯彻执行，并就有关事项通知如下：

一、近几年来，由于产品供过于求，市场竞争日趋激烈，彩色电视机价格大  
幅度下降。在降价竞争中，一些彩色电视机、彩色显像管生产企业以低于生产成  
本的价格进行销售，扰乱了正常的价格秩序，损害了其他经  
营者和消费者的合法权益。各地价格、电子主管部门要会同计划、经贸等有关部  
门，加强领导，密切配合，共同做好《办法》的贯彻实施工作。

二、遵照国务院领导同志的指示精神，国家计委、信息产业部决定，将彩色  
显像管和彩色电视机作为1999年制止低价倾销、依法规范市场秩序的重点品种。  
各地要加强监督检查，检查的主要内容是：彩色显像管、彩色电视机生产企业的  
出厂价格是否低于其生产成本，经销企业的销售价格是否低于其进货成本；是否  
采取折扣、补贴、多给数量等手段低价销售；是否采取使用走私进口原材料和零  
配件、降低性能指标、以次充好、虚报成本等手段低价销售。

三、彩色显像管和彩色电视机生产企业要严格执行《办法》的各项规定，自

觉规范价格行为，据实、准确记录与核定生产成本及进货成本，严禁少摊费用，虚置成本。同时要对有无不正当价格竞争行为进行自查自纠，并积极向价格主管部门举报不正当价格竞争行为。

四、各地在贯彻实施《办法》和监督检查过程中存在的问题，请及时报告国家计委和信息产业部。

附件：关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法附件

关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法

第一条 为制止彩色显像管、彩色电视机行业的不正当价格竞争行为，维护公平、公开、合法的市场竞争和正常的价格秩序，维护国家利益，保护经营者和消费者的合法权益，根据《中华人民共和国价格法》（以下简称《价格法》）及国家其他有关法律，制定本办法。

第二条 凡在中华人民共和国境内从事生产、销售彩色显像管、彩色电视机的经营者，均应执行本办法。

第三条 本办法所称的不正当价格竞争行为是指，经营者为了排挤竞争对手或独占市场，以低于本企业成本销售，或者采取其它不正当手段降低成本低价销售，扰乱正常的生产经营秩序，损害国家利益或其它经营者合法权益的行为。

第四条 彩色显像管、彩色电视机经营者的下列行为属于不正当价格竞争行

为：

（一）生产企业的出厂价格低于其同一时期生产成本，经销企业的销售价格低于其同一时期进货成本；

（二）采取折扣、补贴、多给数量等方式，使生产企业的实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本；

（三）使用走私进口原材料和零配件、降低性能标准、以次充好、虚报成本等手段低价销售；

（四）市场份额占较大优势的彩色显像管购买者利用其优势地位迫使彩色显像管生产企业低于其生产成本销售产品；

（五）采取其它方式，使生产企业的实际出厂价格低于其同一时期生产成本，或经销企业的实际销售价格低于其同一时期进货成本。

第五条 信息产业部定期发布彩色显像管、彩色电视机主要品种、规格的行业平均生产成本。国家计委会同信息产业部确定和公布合理的下浮幅度。

第六条 生产企业的出厂价格原则上不应低于行业平均生产成本；经销企业的销售价格不应低于正常进货成本。

第七条 生产企业以低于发布的行业平均生产成本销售，经销企业以低于其同期进货成本销售，造成市场价格秩序混乱、损害其它生产企业和经销企业利益的，受损害的生产企业和经销企业可向国家计委或者省、自治区、直辖市政府价格主管部门举报；政府价格主管部门根据情况立案调查。

第八条 举报人应当据实反映情况，提供被举报人不正当价格竞争行为的事实材料和被损害的情况。被举报的经营者，应当配合政府价格主管部门调查，如实提供相关的帐簿、单据、凭证以及其它资料。



第九条 经调查认定，被举报的彩色显像管、彩色电视机经营者确有本办法第四条所列不正当价格竞争行为的，由政府价格主管部门责令改正，并视具体情况依据《价格法》进行下列处罚：

- (一) 予以警告；
- (二) 处以罚款；
- (三) 责令其停业整顿；
- (四) 提请工商行政管理机关吊销其营业执照。

第十条 价格主管部门实施检查时，首先应以生产、经营者的个别成本为主要判定依据。当个别成本难以认定时，以行业平均成本和合理的下浮幅度为主要判定依据。

第十一条 彩色显像管、彩色电视机经营者应当建立、健全内部价格管理及成本、费用核算制度，据实、准确记录与核定生产成本及进货成本，不得弄虚作假。

第十二条 各级电子工业主管部门及彩色显像管、彩色电视机行业协会应当督促彩色显像管、彩色电视机经营者执行本办法。对生产企业和经销企业违反本办法的，规劝其改正；规劝无效的，可向政府价格主管部门举报，要求立案调查。

第十三条 本办法由国家计委负责解释。

第十四条 本办法自 1999 年 4 月 1 日起施行。

# APPENDIX 6



January 10, 2022

**Certification**

**Welocalize Translations**

**TRANSLATOR'S DECLARATION:**

I, Johnson Wong, hereby declare:

That I possess advanced knowledge of the Chinese and English languages. The attached Chinese into English translation has been translated by me and to the best of my knowledge and belief, it is a true and accurate translation of: IRI-CRT-00031457

A handwritten signature in black ink, appearing to read "Johnson Wong", written over a horizontal line.

Johnson Wong

Project Number: BBLLP\_2201\_P0001



15 W. 37th Street 4th Floor  
New York, NY 10018  
212.581.8870



## IRICO Group Corporation

### C06 Enterprise Management

Notice on Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs and  
Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs

From March 1999 to April 1999

Retention period

Long term

There are ten pages in this volume

Filing No.

Whole volume No.	Catalog No.	Docket No.

CONFIDENTIAL

IRI-CRT-00031457

## In-Volume Catalog

S.N.	Document author	Original document No.	Document receipt No.	Confidentiality level	Document date	Title	No. of Page
1	Ministry of Information Industry	Ji Jia Ge (99) 264	46		March 15, 1999	Notice of the State Planning Commission and the Ministry of Information Industry on Distributing Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs	1-7
2	Id.	Xin Yun Bu (99) 287	51		April 2, 1999	Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs	8-10

CONFIDENTIAL

IRI-CRT-00031458

Mr. Wu: please review this document. April 15, 1999  
001

Official document	Receipt No. 46 April 14, 1999
-------------------	----------------------------------

From the first page of China Electronics Daily, April 13, 1999

Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs

Xin Bu Yun [1999] No. 287

To curb unfair price competition in the color CRT and color TV industry and maintain normal market order, we have estimated the industrial average production costs of two types of color CRTs and color TVs, i.e. 21-inch and 25-inch, pursuant to the Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry, the cost materials submitted by major manufacturers of color CRTs and color TVs, and the results of survey on typical enterprises. The estimation is hereby published (see the attached table). All color CRT and color TV manufacturers are asked to conscientiously implement the estimation. In case where a manufacturer sells its products at the prices lower than the published industrial average production costs, causing market disorders and harming the interests of other manufacturers, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province, autonomous region and municipality directly under the Central Government. If it is found through investigation that, such manufacturer indeed engages in unfair price competition, a competent government department in charge of prices shall order such manufacturer to correct and impose penalties on it in light of the specific circumstance.

This Notice will be implemented from the date of publication.

Attached Table: Industrial Average Production Costs of Some Sizes and Types of Color CRTs and Color TVs

21" Color CRT	RMB440/piece	21" Color TV	RMB1,130/set
25" Color CRT	RMB720 /piece	25" Color TV	RMB1,700/set

Ministry of Information Industry, April 2, 1999

IRICO Group Corporation Document Review List

Group's proposed opinion: Mr. Wu: please review this document. April 15, 1999	Department's proposed opinion:
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Leader's instructions:

Circulation time	Signature	Circulation time	Signature	Circulation time	Signature	Circulation time	Signature

Required completion time	Processing result Fax sent April 15, 1999
	Signature from the leader of the handling organization

CONFIDENTIAL

IRI-CRT-00031459

Mr. Wu: please review this document. April 15, 1999  
001

Official document	Receipt No. 46 April 14, 1999
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From the first page of China Electronics Daily, April 13, 1999

Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs

Xin Bu Yun [1999] No. 287

To curb unfair price competition in the color CRT and color TV industry and maintain normal market order, we have estimated the industrial average production costs of two types of color CRTs and color TVs, i.e. 21-inch and 25-inch, pursuant to the Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry, the cost materials submitted by major manufacturers of color CRTs and color TVs, and the results of survey on typical enterprises. The estimation is hereby published (see the attached table). All color CRT and color TV manufacturers are asked to conscientiously implement the estimation. In case where a manufacturer sells its products at the prices lower than the published industrial average production costs, causing market disorders and harming the interests of other manufacturers, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province, autonomous region and municipality directly under the Central Government. If it is found through investigation that, such manufacturer indeed engages in unfair price competition, a competent government department in charge of prices shall order such manufacturer to correct and impose penalties on it in light of the specific circumstance.

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21" Color CRT	RMB440/piece	21" Color TV	RMB1,130/set
25" Color CRT	RMB720 /piece	25" Color TV	RMB1,700/set

Ministry of Information Industry, April 2, 1999

Notice on Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs

Bureaus (Commissions) of Commodity Prices and Competent Departments in Charge of the Electronic Industry of provinces, autonomous regions, municipalities directly under the Central Government, and municipalities specifically designated in the state plan:

To curb unfair price competition and maintain normal market competition order, the State Planning Commission and the Ministry of Information Industry have formulated the Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs (hereinafter referred to as the "Measures"), which are hereby distributed for your earnest implementation. Related issues are hereby notified as follows:

-1-

CONFIDENTIAL

IRI-CRT-00031460

Mr. Wu: please review this document. April 15, 1999  
001

Official document	Receipt No. 46 April 14, 1999
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National Development Planning Commission      **Document**  
Ministry of Information Industry

Ji Jia Ge [1999] No. 264

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**Notice of the State Planning Commission and the Ministry of Information Industry on  
Distributing Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and  
Color TVs**

Bureaus (Commissions) of Commodity Prices and Competent Departments in Charge of the Electronic Industry of provinces, autonomous regions, municipalities directly under the Central Government, and municipalities specifically designated in the state plan:

To curb unfair price competition and maintain normal market competition order, the State Planning Commission and the Ministry of Information Industry have formulated the Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs (hereinafter referred to as the "Measures"), which are hereby distributed for your earnest implementation. Related issues are hereby notified as follows:

-1-

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IRI-CRT-00031461

002

1. Prices of color TVs have plunged in recent years due to the oversupply of products and increasingly fierce market competition. In the price cut competition, some color TV and color CRT manufacturers sell their products at the prices lower than production costs, which disrupts normal price order and harm legitimate rights and interests of other business operators and consumers. The competent departments in charge of price and electronics in all places must work closely with related departments in planning, economic and trade to strengthen leadership and ensure the sound implementation of the Measures.

2. According to the principles of instructions from the leading comrades of the State Council, the State Planning Commission and the Ministry of Information Industry have decided to focus on color TVs and color CRTs during the campaign of preventing dumping and regulating the market order according to the law in 1999. All places must step up supervision and inspection, with the focus on: whether ex-factory prices of color CRT and color TV manufacturers are lower than their production costs, and whether the sales prices of distributors are lower than their purchasing costs; whether sales are made at low prices by means of discount, subsidy and extra quantity; whether sales are made at low prices by means of using raw materials and parts and components imported through smuggling, lowering performance indicators, using shoddy products as good products, falsely reporting costs, etc.

3. All color CRT and color TV manufacturers must strictly comply with all provisions in the Measures, consciously regulate pricing, truthfully and accurately record and verify production and purchasing costs, and strictly prohibit less amortization and false reporting of costs. At the same time, the enterprises must correct the unfair price competition found in self-inspection and actively report the unfair price competition to competent departments in charge of prices.

-2-

003

4. All places should promptly report any problem arising in the implementation of the Measures, supervision and inspection to the State Planning Commission and the Ministry of Information Industry.

Attachment: Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs

*(Seal of the National Development Planning  
Commission of the People's Republic of China)*

National Development Planning Commission

March 15, 1999

*(Seal of the Ministry of Information Industry of the  
People's Republic of China)*

Ministry of Information Industry

Keywords: color TV, price measures, Notice

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Cc: The General Office of the State Council, the State Economic and Trade Commission, the Ministry of Finance, the General Administration of Customs, and the Planning Commissions (Planning and Economic Commissions) of all provinces, autonomous regions, municipalities directly under the Central Government and cities specifically designated in the state plan

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IRI-CRT-00031462



004

Attachment:

## Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs

Article 1 To curb unfair price competition in the color TV and color CRT industry, protect fair, open and legitimate market competition, the national interest and the legitimate rights and interests of business operators and consumers, and maintain normal price order, the Measures are hereby formulated according to the Price Law of the People's Republic of China (hereinafter referred to as the "Price Law") and other applicable laws of the state.

Article 2 Any business operator engaging in production and sales of color CRTs and color TVs within the People's Republic of China shall implement the Measures.

Article 3 The unfair price competition herein refers to misconduct of a business operator to sell products at the prices lower than their cost or sell products at low prices by reducing costs using unfair means, so as to expel competitors or monopolize the market, which disrupts normal production and operation orders and harms the national interest or legitimate rights and interests of other business operators.

Article 4 The following misconducts of color CRT and color TV operators constitute unfair price competition:

-4-

005

(I) Ex-factory prices of a manufacturer are lower than its production costs over the same period, and sales prices of a distributor are lower than its purchasing costs over the same period;

(II) Actual ex-factory prices of a manufacturer are made lower than its production costs, and actual sales prices of a distributor are made lower than its purchasing costs by means of discount, subsidy and extra quantity;

(III) Sales are made at low prices by means of using raw materials and parts and components imported through smuggling, lowering performance indicators, using shoddy products as good products, falsely reporting costs, etc.;

(IV) A color CRT buyer takes advantage its big market share to force a color CRT manufacturer to sell products at the prices lower than its production costs;

(V) Actual ex-factory prices of a manufacturer are lower than its production costs over the same period, or actual sales prices of a distributor are lower than its purchasing costs over the same period by other means.

Article 5 The Ministry of Information Industry regularly publishes industrial average production costs of main types and sizes of color CRTs and color TVs. The State Planning Commission and the Ministry of Information Industry determine and publish a reasonable range of price decrease.

Article 6 Ex-factory prices of a manufacturer shall not be lower than the industrial average production costs in principle; and the sales prices of a distributor shall not be lower than normal purchasing costs.

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IRI-CRT-00031463

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Article 7 In case where a manufacturer sells its products at the prices lower than published industrial average production costs, or a distributor sells its products at the prices lower than its purchasing costs over the same period, leading to market price disorder and harms to the interests of other manufacturers or distributors, the harmed manufacturers or distributors may report the same to the State Planning Commission or a competent department in charge of prices of a province, autonomous region or municipality directly under the Central Government; and the competent government department in charge of prices will launch investigation into the case in light of the circumstance.

Article 8 The reporting party shall truthfully report the case by providing factual information regarding unfair price competition of the reported party and details of damages. A reported business operator shall cooperate with a competent government department in charge of prices in the investigation by truthfully providing related books, bills, vouchers and other materials.

Article 9 If it is found through the investigation that, the reported operator of color CRTs and color TVs is indeed committing unfair price competition set forth in Article 4 of the Measures, the competent government department in charge of prices shall order the operator to make correction and impose the following penalties according to the Price Law and specific circumstances:

- (I) Issue a warning;
- (II) Impose a fine;
- (III) Order the operator to suspend business for rectification; and
- (IV) File a request with an administration for industry and commerce for revocation of its business license.

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007

Article 10 When performing inspection, a competent department in charge of prices should first take individual costs of manufacturers or operators as a main basis. When it is difficult to confirm an individual cost, industrial average production costs and a reasonable range of price decrease will be used as the main bases.

Article 11 An operator of color CRTs and color TVs shall establish and improve internal price management, cost and expense accounting systems to truthfully and accurately record and verify production and purchasing costs, with no false statement.

Article 12 Competent departments at all levels in the electronic industry and the color CRT and color TV trade association shall urge operators of color CRTs and color TVs to implement the Measures. For manufacturers and distributors that violate the Measures, they shall be advised to correct; in case where the advice doesn't work, a report may be submitted to a competent department in charge of prices for official investigation.

Article 13 The Measures shall be interpreted by the State Planning Commission.

Article 14 The Measures shall go into effect as of April 1, 1999.

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IRI-CRT-00031464

Official document	Receipt No. 51 April 21, 1999
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## Document of the Ministry of Information Industry

Xin Bu Yun [1999] No. 287

### Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs

#### IRICO Group Corporation Document Review List

Group's proposed opinion:	Department's proposed opinion:
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Leader's instructions:

Circulation time	Signature	Circulation time	Signature	Circulation time	Signature	Circulation time	Signature

Required completion time	Processing result  Signature from the leader of the handling organization

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IRI-CRT-00031465

Official document	Receipt No. 51 April 21, 1999
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## Document of the Ministry of Information Industry

Xin Bu Yun [1999] No. 287

### **Notice on Publishing Industrial Average Production Costs of Some Types of Color CRTs and Color TVs**

Color CRT and Color TV manufacturers:

To curb unfair price competition in the color CRT and color TV industry and maintain normal market order, we have estimated the industrial average production costs of two types of color CRTs and color TVs, i.e. 21 inches and 25 inches, pursuant to the Trial Measures to Curb Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry, the cost materials submitted by major manufacturers of color CRTs and color TVs, and the results of investigation into typical enterprises. The estimation is hereby published (see the attached table). All color CRT and color TV manufacturers are asked to conscientiously implement the estimation. In case where a manufacturer sells its products at the prices lower than the published industrial average production costs, causing market disorders and harming the interests of other manufacturers, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province,

-1-

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IRI-CRT-00031466

009

autonomous region or municipality directly under the Central Government. If it is found through investigation that, such manufacturer indeed engages in unfair price competition, a competent government department in charge of prices shall order such manufacturer to correct and impose penalties on it in light of specific circumstances.

This Notice shall go into effect as of the date of distribution.

Attachment: Table

April 2, 1999

(Seal of the Ministry of Information Industry of the People's Republic of China)

Keywords: color CRT, color TV, cost, Notice

Cc: The State Planning Commission, the State Economic and Trade Commission, and the State Administration for Industry and Commerce.

The General Office of the Ministry of Information Industry      Distributed on April 12, 1999

-2-

010

Table:

Industrial Average Production costs for Some Sizes and Types of Color CRTs and Color TVs

21" Color CRT	RMB440/piece
25" Color CRT	RMB720/piece
21" Color TV	RMB1,130/set
25" Color TV	RMB 1,700/set

-3-

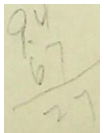
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IRI-CRT-00031467

Note

Whole volume No.:	
Catalog No.:	
Docket No.:	
There are a total of 10 pages within this volume (or book)	
Defects or other situations of this volume (or book)	
Volume prepared by: Wang Yueqin	Checked by:
August 15, 2000	Date:

03513 x 824



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IRI-CRT-00031468



# 彩虹集团公司

## C06 企业管理

关于制止彩色显像管、彩色电视机  
不正当价格竞争的试行办法及发布彩管  
、彩电部分品种行业平均生产成本的通  
知

自九九年 三 月至九九年 四 月

保管期限

长 期

本卷内共 十 张

归 档 号

全宗号

目录号

案卷号







001

请阅示

15/4-99



摘自中国电子报1999年4月13日第一版。

# 于发布彩色显像管、彩色电视机分品种行业平均生产成本的通知

信部运〔1999〕287号

制止彩色显像管、彩色电视机行业的不正当价格竞争，维护正常的市场秩序，根据国家计委、信息产业部《关于彩色显像管、彩色电视机不正当价格竞争的试行规定》依据各主要彩管、彩电生产企业报送的成本资料典型企业的调研情况，对21英寸、25英寸两个品种、彩电的行业平均生产成本进行了测算，现予发布。请各彩管、彩电生产企业认真贯彻执行。生低于发布的行业平均生产成本销售，造成市场秩序害其他生产企业利益的，受损害的企业可向国家计

委、或者省、自治区、直辖市价格主管部门举报。对经调查认定，确有不正当价格竞争行为的由政府价格主管部门责令改正，并视具体情况进行处罚。

本通知自发布之日起执行。

附表：部分规格品种彩管、彩电行业平均生产成本

21英寸彩管	440元/只	21英寸彩电	1130元/只
25英寸彩管	720元/只	25英寸彩电	1700元/只

信息产业部 1999年4月2日

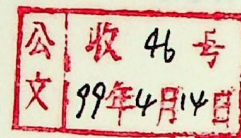
## 彩虹电子集团公司文件阅办单

集团拟办意见： 请阅示 15/4-99				部拟办意见：			
领导指示：							
传阅时间	签	字	传阅时间	签	字	传阅时间	签
求完成时间	处理结果						
	<div style="border: 2px solid red; padding: 5px; display: inline-block;">                         传 真 已 发                          99年4月15日                     </div>						
承办单位领导签字							



001

请各系阅 15/4/99



摘自中国电子报1999年4月13日第一版.

# 于发布彩色显像管、彩色电视机 分品种行业平均生产成本的通知

信部运〔1999〕287号

制止彩色显像管、彩色电视机行业的不正当价格竞争，维护正常的市场秩序，根据国家计委、信息产业部《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》依据各主要彩管、彩电生产企业报送的成本资料典型企业的调研情况，对21英寸、25英寸两个品种、彩电的行业平均生产成本进行了测算，现予发布。请各彩管、彩电生产企业认真贯彻执行。生

委、或者省、自治区、直辖市价格主管部门举报。对经调查认定，确有不正当价格竞争行为的由政府价格主管部门责令改正，并视具体情况进行处罚。

本通知自发布之日起执行。

附表：部分规格品种彩管、彩电行业平均生产成本

21英寸彩管	440元/只	21英寸彩电	1130元/只
25英寸彩管	720元/只	25英寸彩电	1700元/只

信息产业部 1999年4月2日

## 关于制止彩色显像管、彩色电视机 不正当价格竞争的试行办法的通知

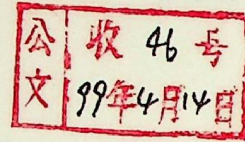
各省、自治区、直辖市及计划单列市物价局(委员会)，电子工业主管部门：

为了制止彩色显像管、彩色电视机行业的不正当价格竞争行为，维护正常的市场竞争秩序，国家计委、信息产业部制定了《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》(以下简称《办法》)，现印发给你们，请认真贯彻执行，并就有关事项通知如下：



001

李维国 15/4-99



重大  
制约

# 国家发展计划委员会 文件 信息产业部

计价格[1999]264号

绍，此次研制成功  
产品是“863计划  
研制系列化、多样  
标志性产品，其产  
E操作系统，完成  
移动通讯、网上浏  
数据同步与信息  
可以通过电话线  
特网，具有可收  
据交换、传真发送

## 国家计委、信息产业部印发 关于制止彩色显像管、彩色电视机 不正当价格竞争的试行办法的通知

各省、自治区、直辖市及计划单列市物价局(委员会)，电子  
工业主管部门：

为了制止彩色显像管、彩色电视机行业的不正当价格  
竞争行为，维护正常的市场竞争秩序，国家计委、信息产业  
部制定了《关于制止彩色显像管、彩色电视机不正当价格竞  
争的试行办法》(以下简称《办法》)，现印发给你们，请认真  
贯彻执行，并就有关事项通知如下：



002

一、近几年来,由于产品供过于求,市场竞争日趋激烈,彩色电视机价格大幅度下降。在降价竞争中,一些彩色电视机、彩色显像管生产企业以低于生产成本的价格进行销售,扰乱了正常的价格秩序,损害了其他经营者和消费者的合法权益。各地价格、电子主管部门要会同计划、经贸等有关部门,加强领导,密切配合,共同做好《办法》的贯彻实施工作。

二、遵照国务院领导同志的指示精神,国家计委、信息产业部决定,将彩色显像管和彩色电视机作为 1999 年制止低价倾销、依法规范市场秩序的重点品种。各地要加强监督检查,检查的主要内容是:彩色显像管、彩色电视机生产企业的出厂价格是否低于其生产成本,经销企业的销售价格是否低于其进货成本;是否采取折扣、补贴、多给数量等手段低价销售;是否采取使用走私进口原材料和零配件、降低性能指标、以次充好、虚报成本等手段低价销售。

三、彩色显像管和彩色电视机生产企业要严格执行《办法》的各项规定,自觉规范价格行为,据实、准确记录与核定生产成本及进货成本,严禁少摊费用,虚置成本。同时要对本企业有无不正当价格竞争行为进行自查自纠,并积极向价格主

— 2 —

003

管部门举报不正当价格竞争行为。

四、各地在贯彻实施《办法》和监督检查过程中存在的问题,请及时报告国家计委和信息产业部。

附件:关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法



主题词:彩电 价格办法 通知

抄送:国务院办公厅、国家经贸委、财政部、海关总署,各省、自治区、直辖市及计划单列市计委(计经委)

— 3 —



004

附件：

## 关于制止彩色显像管、彩色电视机 不正当价格竞争的试行办法

第一条 为制止彩色显像管、彩色电视机行业的不正当价格竞争行为，维护公平、公开、合法的市场竞争和正常的价格秩序，维护国家利益，保护经营者和消费者的合法权益，根据《中华人民共和国价格法》（以下简称《价格法》）及国家其他有关法律，制定本办法。

第二条 凡在中华人民共和国境内从事生产、销售彩色显像管、彩色电视机的经营者，均应执行本办法。

第三条 本办法所称的不正当价格竞争行为是指，经营者为了排挤竞争对手或独占市场，以低于本企业成本销售，或者采取其它不正当手段降低成本低价销售，扰乱正常的生产经营秩序，损害国家利益或其它经营者合法权益的行为。

第四条 彩色显像管、彩色电视机经营者的下列行为属于不正当价格竞争行为：

— 4 —

005

（一）生产企业的出厂价格低于其同一时期生产成本，经销企业的销售价格低于其同一时期进货成本；

（二）采取折扣、补贴、多给数量等方式，使生产企业的实际出厂价格低于本企业生产成本，经销企业实际销售价格低于本企业进货成本；

（三）使用走私进口原材料和零配件、降低性能标准、以次充好、虚报成本等手段低价销售；

（四）市场份额占较大优势的彩色显像管购买者利用其优势地位迫使彩色显像管生产企业低于其生产成本销售产品；

（五）采取其它方式，使生产企业的实际出厂价格低于其同一时期生产成本，或经销企业的实际销售价格低于其同一时期进货成本。

第五条 信息产业部定期发布彩色显像管、彩色电视机主要品种、规格的行业平均生产成本。国家计委会同信息产业部确定和公布合理的下浮幅度。

第六条 生产企业的出厂价格原则上不应低于行业平均生产成本；经销企业的销售价格不应低于正常进货成本。

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006

第七条 生产企业以低于发布的行业平均生产成本销售,经销企业以低于其同期进货成本销售,造成市场价格秩序混乱、损害其它生产企业和经销企业利益的,受损害的生产企业和经销企业可向国家计委或者省、自治区、直辖市政府价格主管部门举报;政府价格主管部门根据情况立案调查。

第八条 举报人应当据实反映情况,提供被举报人不正当价格竞争行为的事实材料和被损害的情况。被举报的经营者,应当配合政府价格主管部门调查,如实提供相关的帐簿、单据、凭据以及其它资料。

第九条 经调查认定,被举报的彩色显像管、彩色电视机经营者确有本办法第四条所列不正当价格竞争行为的,由政府价格主管部门责令改正,并视具体情况依据《价格法》进行下列处罚:

- (一)予以警告;
- (二)处以罚款;
- (三)责令其停业整顿;
- (四)提请工商行政管理机关吊销其营业执照。

第十条 价格主管部门实施检查时,首先应以生产、

— 6 —

007

经营者的个别成本为主要判定依据。当个别成本难以认定时,以行业平均成本和合理的下浮幅度为主要判定依据。

第十一条 彩色显像管、彩色电视机经营者应当建立、健全内部价格管理及成本、费用核算制度,据实、准确记录与核定生产成本及进货成本,不得弄虚作假。

第十二条 各级电子工业主管部门及彩色显像管、彩色电视机行业协会应当督促彩色显像管、彩色电视机经营者执行本办法。对生产企业和经销企业违反本办法的,规劝其改正;规劝无效的,可向政府价格主管部门举报,要求立案调查。

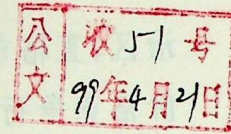
第十三条 本办法由国家计委负责解释。

第十四条 本办法自 1999 年 4 月 1 日起施行。

— 7 —



008



# 信息产业部文件

信部运〔1999〕287号

## 关于发布彩色显像管、彩色电视机部分 且种行业平均生产成本的通知

### 彩虹电子集团公司文件阅办单

集团拟办意见：

部拟办意见：

领导指示：

传阅时间	签 字	传阅时间	签 字	传阅时间	签 字	传阅时间	签 字

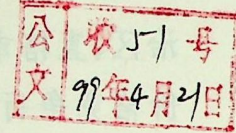
要求完成时间

处理结果

承办单位领导签字



008



# 信息产业部文件

信部运〔1999〕287号

## 关于发布彩色显像管、彩色电视机部分 品种行业平均生产成本的通知

各彩管、彩电生产企业：

为了制止彩色显像管、彩色电视机行业的不正当价格竞争行为，维护正常的市场秩序，根据国家计委、信息产业部《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》，我部依据各主要彩管、彩电生产企业报送的成本资料，结合典型企业的调研情况，对21英寸、25英寸两个品种规格彩管、彩电的行业平均生产成本进行了测算，现予发布（见附表）。请各彩管、彩电生产企业认真贯彻执行。生产企业以低于发布的行业平均生产成本销售，造成市场秩序混乱、损害其他生产企业利益的，受损害的企业可向国家计委、或者省、自



009

治区、直辖市价格主管部门举报。对经调查认定,确有不正当  
价格竞争行为的由政府价格主管部门责令改正,并视具体情  
况进行处罚。

本通知自发布之日起执行。

附件:附表



主题词:彩管 彩电 成本 通知

抄 送:国家计委,国家经贸委,国家工商行政管理局。

信息产业部办公厅

一九九九年四月十二日印发

- 2 -

010

附表:

部分规格品种彩管、彩电行业平均生产成本

21英寸彩管	440元/只
25英寸彩管	720元/只
21英寸彩电	1130元/台
25英寸彩电	1700元/台

- 3 -



# 备 考 表

全 宗 号:

案卷目录号:

案卷顺序号:

本卷(或簿本)内的文件共有 10 张

本卷(或簿本)内的缺点或其他情况

立卷人: 王跃芹

检查人:

2000 年 8 月 15 日

年 月 日

03513 × 824

# APPENDIX 7



# EXHIBIT C



December 20, 2017

### **Certification**

#### **Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
关于发布彩色显像管、彩色电视机部分品种行业平均生产成本的通知

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

File No.	Catalogue No.	Record No.	Sequence No.
	[illegible]	2	3

P5

Document of the Ministry of Information Industry  
Xin Bu Yun [1999] No. 287

Notification of Publishing Industrial Average Production Costs for Some Types of Color CRTs  
and Color TVs

To prevent actions of unfair price competition in the color CRT and color TV industry and maintain a normal market order, this Ministry performed estimation on the industrial average production costs of two types of color CRTs and color TVs, i.e. 21 inches and 25 inches, pursuant to the Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry. The estimation was made according to cost materials reported by major manufacturers of color CRTs and color TVs and combined with the results of investigation on typical enterprises. The estimation is hereby published (see the attached table). All color CRT and color TV manufacturing enterprises are asked to seriously implement the estimation. In the case where a manufacturing enterprise sells the products at prices lower than the published industrial average production costs to cause market disorders and harm the interests of other manufacturing enterprises, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province, autonomous region or municipality directly under the Central Government. In the case where it is confirmed through investigation that there is indeed an action of unfair price competition, a competent government department in charge of prices shall order the responsible party to correct and impose penalties according to specific situations.

- 1 -

Electronic Industry Archives	
Copy	No. 2017048

This Notification shall go into effect as of the date of issuance.

Attachment: Attached Table

April 2, 1999  
(Seal of the Ministry of Information Industry of the  
People's Republic of China)

Keywords: color CRT, color TV, cost, notification

Cc: The State Planning Commission, the State Economic and Trade Commission, and the State Administration for Industry and Commerce.

The General Office of the Ministry of Information Industry

Printed and distributed on  
April 12, 1999

Attached Table:

Industrial average production costs for Some Sizes and Types of Color CRTs and Color TVs

21" Color CRT	440 Yuan/piece
25" Color CRT	720 Yuan/piece
21" Color TV	1130 Yuan/set
25" Color TV	1700 Yuan/set

1992 2 3

15

# 信息产业部文件

信部运〔1999〕287号

## 关于发布彩色显像管、彩色电视机部分 品种行业平均生产成本的通知

为了制止彩色显像管、彩色电视机行业的不正当价格竞争行为,维护正常的市场秩序,根据国家计委、信息产业部《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》,我部依据各主要彩管、彩电生产企业报送的成本资料,结合典型企业的调研情况,对21英寸、25英寸两个品种规格彩管、彩电的行业平均生产成本进行了测算,现予发布(见附表)。请各彩管、彩电生产企业认真贯彻执行。生产企业以低于发布的行业平均生产成本销售,造成市场秩序混乱、损害其他生产企业利益的,受损害的企业可向国家计委、或者省、自治区、直辖市价格主管部门举报。对经调查认定,确有不正

- 1 -



附

价格竞争行为的由政府价格主管部门责令改正,并视具体情况进行处罚。

本通知自发布之日起执行。

附件:附表



主题词:彩管 彩电 成本 通知

抄 送:国家计委,国家经贸委,国家工商行政管理局。

信息产业部办公厅

一九九九年四月十二日印发

情

附表：

部分规格品种彩管、彩电行业平均生产成本

21英寸彩管	440元／只
25英寸彩管	720元／只
21英寸彩电	1130元／台
25英寸彩电	1700元／台

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# APPENDIX 8

# EXHIBIT E



December 20, 2017

### **Certification**

#### **Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
关于发布彩色电视机部分品种行业平均生产成本的通知

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

File No.	Catalogue No.	Record No.	Sequence No.
	[illegible]	14	3

Document of the Ministry of Information Industry  
Xin Bu Yun [2000] No. 789

Notification of Publishing Industrial Average Production Costs for Some Types of Color TVs

To color TV manufacturing enterprises:

To prevent actions of unfair price competition in the color TV industry and maintain a normal market order, the industrial average production costs of three types of color TVs, i.e. 21 inches, 25 inches, and 29 inches, are hereby published (see the attached table for details) pursuant to the Trial Measures to Stop Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry. All color TV manufacturing enterprises are asked to seriously implement the costs. In the case where a manufacturing enterprise sells the products at prices lower than the published industrial average production costs to cause market disorders and harm the interests of other manufacturing enterprises, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province, autonomous region or municipality directly under the Central Government. In the case where it is confirmed through investigation that there is indeed an action of unfair price competition, a competent government department in charge of prices shall order the responsible party to correct and impose penalties according to specific situations.

- 1 -

Electronic Industry Archives	
Copy	No. 2017053



This Notification shall go into effect as of the date of issuance.

Attached Table: Industrial average production costs for Some Sizes of Color TVs

August 25, 2000  
(Seal of the Ministry of Information Industry of the  
People's Republic of China)

Keywords: color TV, production cost, notification

Cc: The State Planning Commission, the State Economic and Trade Commission, and the State Administration for Industry and Commerce.

The General Office of the Ministry of Information Industry

Printed and distributed on  
August 25, 2000

Attached Table: Industrial average production costs for Some Sizes of Color TVs

21"	970 Yuan/set
25"	1420 Yuan/set
29"	2170 Yuan/set

全宗号	目录号	案卷号	件号
		2000-2	14 3

# 信息产业部文件

信部运〔2000〕789号

## 关于发布彩色电视机 部分品种行业平均生产成本的通知

各彩电生产企业：

为了制止彩色电视机行业的不正当价格竞争行为，维护正常的市场秩序，按照国家计委、信息产业部《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》，现将21英寸、25英寸、29英寸三种规格彩电的行业平均成本予以发布（详见附表）。请各彩电生产企业认真贯彻执行。生产企业以低于发布的行业平均成本销售造成市场秩序混乱、损害其它生产企业利益的，受损害的企业可以

— 1 —

电子工业档案馆

复印 2011053 号

向国家计委或者省、自治区、直辖市价格主管部门举报。  
对经调查认定,确有不正当价格竞争行为的由政府价格主  
管部门责令改正,并视具体情况进行处罚。

本通知自发布之日起执行。

附表:部分规格彩电行业平均生产成本



主题词:彩电 生产成本 通知

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抄 送:国家计委,国家经贸委,国家工商行政管理局。

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信息产业部办公厅

二〇〇〇年八月二十五日印发

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附表：

部分规格彩电行业平均生产成本

21英寸	970元／台
25英寸	1420元／台
29英寸	2170元／台

# APPENDIX 9



# EXHIBIT F



December 20, 2017

### **Certification**

#### **Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of:  
关于发布彩色显像管部分品种行业平均生产成本的通知

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLLP\_1712\_051

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

File No.	Catalogue No.	Record No.	Sequence No.
	[illegible]	14	4

Document of the Ministry of Information Industry  
Xin Bu Yun [2000] No. 843

Notification of Publishing Industrial Average Production Costs for Some Types of Color CRTs

To color CRT manufacturing enterprises:

To prevent actions of unfair price competition in the color CRT industry and maintain a normal market order, the industrial average production costs of three types of color CRTs, i.e. 21 inches, 25 inches, and 29 inches, are hereby published (see the attached table for details) pursuant to the Trial Measures to Prevent Unfair Price Competition Regarding Color CRTs and Color TVs by the State Planning Commission and the Ministry of Information Industry. All color CRT manufacturing enterprises are asked to seriously implement the costs. In the case where a manufacturing enterprise sells the products at prices lower than the published industrial average production costs to cause market disorders and harm the interests of other manufacturing enterprises, a harmed enterprise may file a report with the State Planning Commission or a competent department in charge of prices of a province, autonomous region or municipality directly under the Central Government. In the case where it is confirmed through investigation that there is indeed an action of unfair price competition, a competent government department in charge of prices shall order the responsible party to correct and impose penalties according to specific situations.

- 1 -

Electronic Industry Archives	
Copy	No. 2017052

This Notification shall go into effect as of the date of issuance.

Attachment: Attached Table

September 13, 2000  
(Seal of the Ministry of Information Industry of the  
People's Republic of China)

Keywords: color CRT, production cost, notification

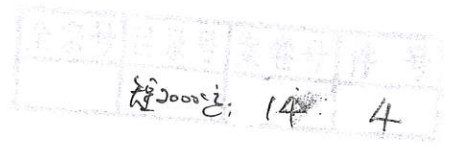
Cc: The State Planning Commission, the State Economic and Trade Commission, and the State Administration for Industry and Commerce.

The General Office of the Ministry of Information Industry

Printed and distributed on  
September 14, 2000

Attached Table: Industrial average production costs for Some Sizes of Color CRTs

21" (regular flat)	410 Yuan/piece
25" (regular flat)	670 Yuan/piece
29" (ultra flat)	1135 Yuan/piece



# 信息产业部文件

信部运〔2000〕843号

## 关于发布彩色显像管 部分品种行业平均生产成本的通知

各彩管生产企业：

为了制止彩色显像管行业的不正当价格竞争行为，维护正常的市场秩序，按照国家计委、信息产业部《关于制止彩色显像管、彩色电视机不正当价格竞争的试行办法》，现将21英寸、25英寸、29英寸三种规格彩管的行业平均成本予以发布（详见附表）。请各彩管生产企业认真贯彻执行。生产企业以低于发布的行业平均成本销售造成市场秩序混乱、损害其它生产企业利益的，受损害的企业可以

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向国家计委或者省、自治区、直辖市价格主管部门举报。  
对经调查认定,确有不正当价格竞争行为的由政府价格主  
管部门责令改正,并视具体情况进行处罚。

本通知自发布之日起执行。

附件:附表



**主题词:彩管 生产成本 通知**

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抄 送:国家计委,国家经贸委,国家工商行政管理局。

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信息产业部办公厅

二〇〇〇年九月十四日印发

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报。  
格主

附表：部分规格彩管行业平均生产成本

21 英寸（普平）	410 元/只
25 英寸（普平）	670 元/只
29 英寸（超平）	1135 元/只

印发